OFFICIAL STATEMENT

Redevelopment Agency of The City of Santa Fe Springs

Los Angeles County, California

$2,770,000
Norwalk Boulevard Redevelopment Project, 1976 Tax Allocation Bonds

Bids to be received on or prior to
11:00 A.M., Monday, June 7, 1976 at the
Offices of O'Melveny & Myers, Bond Counsel to the Agency,
36th Floor Conference Room, 611 W. Sixth Street,
Los Angeles, California.

REDEVELOPMENT AGENCY OF THE CITY OF SANTA FE SPRINGS

Los Angeles County, California

CITY COUNCIL AND MEMBERS OF THE AGENCY

Betty Wilson, *Mayor and Chairperson of the Agency*

Archie E. Beasor

William Emmens

William J. McCann

Armando J. Mora

CITY AND AGENCY STAFF

Robert L. Williams, *City Manager and City Clerk*

Richard H. Weaver, *Executive Director/Secretary of the Agency and Director of Planning and Development of the City*

William Camil, *Agency Counsel and City Attorney*

Donald M. Nuttall, *City Finance Director and Treasurer of the Agency*

Glen E. Danielsen, *City Director of Public Works*

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SPECIAL SERVICES

O'Melveny & Myers, *Los Angeles*
Bond Counsel

Stone & Youngberg Municipal Financing Consultants, Inc., *San Francisco*
Financing Consultants

Bank of America N.T. & S.A., *Los Angeles*
Fiscal and Paying Agent

(Co-paying agents in New York and Chicago to be named by Agency)

THE DATE OF THIS OFFICIAL STATEMENT IS MAY 13, 1976

CITY OF SANTA FE SPRINGS

City Hall, 11710 Telegraph Road 90670—P.O. Box 2120—(213) 868-0511
(Redevelopment Agency of the City of Santa Fe Springs)

May 13, 1976

TO WHOM IT MAY CONCERN:

The purpose of this Official Statement is to supply information to prospective bidders on and buyers of $2,770,000 Norwalk Boulevard Redevelopment Project, 1976 Tax Allocation Bonds, authorized and issued for the purpose of assisting in the financing of said Project, paying of expenses in connection with issuance, and providing reserve funds as additional security for said Bonds.

The material contained in this Official Statement was prepared by Stone & Youngberg Municipal Financing Consultants, Inc., in the capacity of financing consultant to the Redevelopment Agency of the City of Santa Fe Springs with regard to the Norwalk Boulevard Redevelopment Project, 1976 Tax Allocation Bonds. (Such firm will receive compensation from the Agency contingent upon the sale and delivery of the Bonds.) Summaries herein presented of the Resolution of Issuance, the Community Redevelopment Law, the Redevelopment Plan for said Project, financial and economic data do not purport to be complete, and reference is made to the documents on file in the office of the Executive Director of the Agency for further information. Statements which involve estimates or opinions, whether or not expressly so described herein, are intended solely as such and are not to be construed as factual reports.

The Official Statement does not constitute a contract with buyers or holders, from time to time, of the Bonds. The Resolution of Issuance, which does constitute such a contract, accompanies the Official Statement as originally distributed and is available to any prospective bidder on request from said Executive Director.

The legal opinion, approving the validity of the Bonds, will be furnished by O'Melveny & Myers, Los Angeles, California, Bond Counsel to the Agency. (Bond Counsel will receive compensation from the Agency contingent upon the sale and delivery of the Bonds.) Bond Counsel's participation in the review of this Official Statement has been limited to reviewing the statements of law and legal conclusions as set forth herein under the caption "The Bonds".

No dealer, broker, salesman or other person has been authorized by the Agency to give any information or to make any representations other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale.

The execution and distribution of this Official Statement have been duly authorized by the Agency.

Redevelopment Agency of
The City of Santa Fe Springs

/s/ BETTY WILSON
Chairperson

/s/ RICHARD H. WEAVER
Executive Director

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INTRODUCTION

The Constitution and laws of the State of California recognize the vital need for the elimination and rehabilitation of deteriorating urban areas in the state through conservation and redevelopment efforts, and provide an effective means of accomplishing these objectives. Under the provisions of the Community Redevelopment Law (California Health & Safety Code, Section 33000 et seq.), communities containing areas subject to economic and social deterioration may remedy these conditions by activating a redevelopment agency, which has the power to designate specific areas for redevelopment, prepare plans for redevelopment of the designated areas, and carry out the approved plans.

Financing of redevelopment projects in California may be provided through the issuance of tax allocation bonds or notes by the agency. These types of obligations are payable from property taxes collected from within a project upon the increase in assessed valuation which has resulted from redevelopment, as more fully described in this official statement. The local community may also advance funds to the redevelopment agency to help meet project costs, in which event, the advances may be repaid from such increased taxes.

In April of 1961 the Santa Fe Springs City Council determined that there was a need for redevelopment of portions of the city, and by resolution activated the Redevelopment Agency of the City of Santa Fe Springs, which is a public entity separate and apart from the city. Members of the City Council also constitute the membership of the Agency governing board, and city employees are assigned as Agency staff members. Since April of 1966, the Agency has adopted four redevelopment projects, one of which is a completed residential project (under which federal financial assistance was obtained pursuant to the Renewal Assistance Program of the U.S. Department of Housing and Urban Development), and the other three are adjoining areas

of predominantly underdeveloped property which are being developed for residential, industrial and office uses. All four of the Agency's redevelopment projects have experienced a growth of assessed valuations above such valuations that existed prior to adoption of the respective redevelopment plans, as a result of new construction, upgraded land uses, reassessment of existing property by the county, and installation of tenant improvements.

The Agency and the City of Santa Fe Springs are actively promoting further development, and at this time are offering for sale two issues of tax allocation bonds secured by increased property tax receipts from the adjoining Pioneer-Telegraph and Norwalk Boulevard Redevelopment Projects. Proceeds received from the sale of the respective bond issues will be used to finance the cost of public improvements (among other authorized uses) in order to facilitate and encourage additional private development. In addition, the Agency is currently proceeding with redevelopment of the third of these projects (the Oil Field Redevelopment Project) through local participation and financial resources.

The $2,770,000, principal amount of Norwalk Boulevard Redevelopment Project, 1976 Tax Allocation Bonds described in this official statement are being issued by the Agency primarily to finance property acquisitions, construction of public facilities and improvements of benefit to the project, establishment of a debt service reserve equal to twice the maximum annual interest requirement, and payment of costs connected with issuance of the bonds. Payment of bond interest and principal is secured by a first and irrevocable pledge of all property taxes received from increased assessed valuations of the Redevelopment Project over such valuations recorded prior to adoption of the Redevelopment Plan for this project (defined herein as the Tax Revenues), and all moneys set aside as a debt service reserve.

Since adoption of the Redevelopment Plan in July of 1972, assessed valuations of the project have increased by $3,364,275 over pre-existing valuations. At the lowest tax rate applicable to property in the project ($12.2764 per $100 assessed valuation), it is anticipated that at least $413,000 of Tax Revenues will be generated in the current (1975/76) fiscal year. A possible write-down of petroleum values attributable to the project has been announced by the Los Angeles County Assessor which, if reduced to zero, could reduce the Tax Revenues by as much as $60,800 per year (the County Assessor has also stated that the valuation of surface property rights would then rise by about an equivalent amount). Accordingly, estimated Tax Revenues to be received in the 1976/77 fiscal year, and each year thereafter, have been reduced to $358,200 for purposes of this official statement. At this level of Tax Revenues, and without any allowance for future growth of project assessed valuations, assumed average annual debt service on the bonds now being offered will be covered by about 1.26 times, which permit full retirement by 1991, or five years in advance of final maturity.

This Introduction does not purport to present the complete provisions of the bonds now being offered, their terms of sale, documents authorizing their issuance and other relevant data. Reference is hereby made to the Official Statement, Notice Inviting Bids, and Resolution No. 16-76 of the Redevelopment Agency of the City of Santa Fe Springs for a complete recitation of such provisions and information. This Introduction is part of the Official Statement and should be read in conjunction therewith.

THE BONDS

Authority for Issuance

The $2,770,000 Norwalk Boulevard Redevelopment Project, 1976 Tax Allocation Bonds (hereinafter sometimes referred to as the "Bonds"), currently being offered, were authorized pursuant to a resolution of the Redevelopment Agency of the City of Santa Fe Springs, adopted May 13, 1976 (the "Resolution"). The Bonds will be issued under the provisions of and in full conformity with the Constitution and laws of the State of California, including the Community Redevelopment Law (commencing with Section 33000 of the California Health and Safety Code—the "Law"), and acts amending or supplementing that Law. A copy of the Resolution accompanies this official statement as originally distributed.

Sale of Bonds

Bids for the purchase of the Bonds will be received on behalf of the Redevelopment Agency of the City of Santa Fe Springs until 11:00 A.M., Monday, June 7, 1976. Details as to the terms and place of sale are included with the Notice Inviting Bids, adopted May 13, 1976, a copy of which is included with this official statement as originally distributed.

Description of Bonds

The statements herein concerning the Bonds and the Resolution are summaries of certain provisions thereof. They make use of definitions, do not purport to be complete, and are qualified in their entirety by reference to the Resolution, a copy of which accompanies this official statement, as previously stated.

The $2,770,000 principal amount of Norwalk Boulevard Redevelopment Project, 1976 Tax Allocation Bonds will be dated as of June 1, 1976, and be issued either in coupon form in denominations of $5,000 each, numbered 1 through 554, or in fully registered form in the denomination of $5,000 or any multiple thereof, maturing on December 1 in the years and in the amounts shown below. Interest is payable semiannually on June 1 and December 1, commencing December 1, 1976. The Bonds, the interest thereon, and any premiums upon the redemption thereof prior to maturity are payable at the Los Angeles principal office of the Fiscal Agent, Bank of America N.T. & S.A. (Corporate Agency Division), or at paying agents of the Agency to be named by the Agency in Chicago, Illinois or New York, New York, at the option of the holder.

Maturity Date December 1	Principal Amount
1977	$ 60,000
1978	65,000
1979	70,000
1980	75,000
1981	80,000
1982	90,000
1983	95,000
1984	105,000
1985	115,000
1986	120,000
1987	130,000
1988	145,000
1996	1,620,000

Registration

The Bonds will be issued as coupon bonds or as fully registered bonds, at the holders' option, with the privilege of exchange as set forth in the Resolution.

Redemption Provisions

Bonds maturing on or prior to December 1, 1988 (the "Serial Bonds") are not subject to call or redemption prior to their respective maturity dates. Bonds maturing on December 1, 1996 (the "Term Bonds") are subject to call and redemption as a whole or in part, by lot, at the option of the Agency, from any available source of funds, on any interest payment date commencing with December 1, 1989, upon payment of accrued interest to the date of call, and a redemption price equal to the principal amount plus a premium, as shown in the following schedule (computed upon the principal amount of Bonds called for redemption). Notice of call for redemption shall be given as provided in the Resolution.

REDEMPTION DATES AND PREMIUMS

103½%	if redeemed on or after December 1, 1989, and before December 1, 1990;
103 %	if redeemed on or after December 1, 1990, and before December 1, 1991;
102½%	if redeemed on or after December 1, 1991, and before December 1, 1992;
102 %	if redeemed on or after December 1, 1992, and before December 1, 1993;
101½%	if redeemed on or after December 1, 1993, and before December 1, 1994;
101 %	if redeemed on or after December 1, 1994, and before December 1, 1995;
100½%	if redeemed on or after December 1, 1995, and before December 1, 1996.

Legal Opinion

The unqualified opinion of O'Melveny & Myers, Los Angeles, California, Bond Counsel for the Agency, attesting to the validity of the Bonds, will be supplied free of charge to the purchaser of the Bonds. A copy of the legal opinion, certified by the official in whose office the original is filed, will be printed on each Bond without charge to the successful bidder.

The statements of law and legal conclusions set forth in this official statement under the heading "The Bonds" have been reviewed by Bond Counsel. Bond Counsel's employment is limited to a review of the legal procedures required for the authorization of the Bonds and to rendering an opinion as to the validity of the Bonds and the exemption of interest on the Bonds from income taxation (see section hereof entitled "Tax Exempt Status"). The opinion of Bond Counsel will not consider or extend to any documents, agreements, representations, offering circulars or other material of any kind concerning the Bonds, including this official statement, not mentioned in this paragraph.

Certificate Concerning Official Statement

At the time of payment for and delivery of the Bonds, the Agency will furnish the successful bidder a certificate, signed by appropriate officers of the Agency and City, acting in their official capacity, to the effect that to the best of their knowledge and belief, and after reasonable investigation: (a) Neither the official statement nor any amendment or supplement thereto contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; (b) since the date of the official statement no event has occurred which should have been set forth in an amendment or supplement to the official statement which has not been set forth in such an amendment or supplement; nor (c) has there been any material adverse change in the operation or financial affairs of the Agency or City since the date of such official statement.

Other Closing Documents

In addition to the opinion of Bond Counsel and the Certificate Concerning the Official Statement described above, the Agency will, at the time of delivery of the Bonds, furnish the purchaser the following documents, all to be dated as of the date of delivery:

1. **Arbitrage Certificate.** A certificate of a responsible officer of the Agency certifying that, on the basis of the facts and circumstances in effect at the time of delivery of the Bonds, it is not expected that the proceeds of the Bonds will be used in a manner that will cause the Bonds to be arbitrage bonds.

2. **No Litigation Certificate.** A certificate of a responsible officer of the Agency that there is no litigation threatened or pending affecting the validity of the Bonds.

3. **Signature Certificates.** Certificates of the respective officers and representatives of the Agency showing that they have signed the Bonds by manual or facsimile signature, and that they were duly authorized to execute the same.

4. **Treasurer's Receipt.** The receipt of the Treasurer of the Agency showing that the purchase price of the Bonds, including accrued interest to the date of delivery (if any), has been received by the Agency.

Tax Exempt Status

In the opinion of Bond Counsel, interest on the Bonds is exempt from present federal income taxes and from State of California personal income taxes under existing statutes, regulations and court decisions.

Legality for Investment in California

The California Community Redevelopment Law provides that bonds authorized and issued in the same manner and for the same purposes as the Norwalk Boulevard Redevelopment Project, 1976 Tax Allocation Bonds shall be legal investments for all banks, including trust companies, and various other financial institutions, as well as for trust funds and other public bodies. The Community Redevelopment Law also provides that such bonds are authorized security for public deposits.

The Superintendent of Banks of the State of California has previously ruled that bonds of a redevelopment agency are, by said statute, legal investments in California for savings banks. As such, the Bonds would also be legal investments for all trust funds, and for the funds of all insurance companies, commercial banks, trust companies, and any public or private funds which may be invested in county, municipal, or school district bonds. The Bonds may be deposited as security for the performance of any act whenever the bonds of any county or municipality may be so deposited, and may also be used as security for the deposit of public moneys in banks in the state.

Purpose and Disposition of Bond Proceeds

Proceeds of the Bonds are to be used to finance the acquisition of property and related expenses, clearance of legal and physical impediments to redevelopment, construction of public improvements and related expenses, as described in the section of this official statement entitled "The Norwalk Boulevard Redevelopment Project".

Under the provisions of the Resolution, the Fiscal Agent will receive the proceeds from the sale of the Bonds and will apply them as follows:

(1) A sum equal to two times the maximum annual interest on the Bonds (the "Minimum Reserve") will be deposited in the Norwalk Boulevard Redevelopment Project Reserve Account of the Special Fund.

(2) The balance of the proceeds will be deposited in the Norwalk Boulevard Redevelopment Project Redevelopment Fund, to be expended for the purposes for which the Bonds were issued.

The estimated amount of Bond proceeds to be used for each of the specified purposes is as shown in the tabulation in the next column.

NORWALK BOULEVARD REDEVELOPMENT PROJECT

Disposition of Bond Proceeds

Property acquisition	$ 455,000
Public improvements①	1,637,000
Reserve Account (2 years' interest estimated @ 8%)	443,200
Provision for Bond discount (5% maximum)	138,500
Costs of issuance (legal, financing, printing, etc.)	96,300
Principal Amount of Bonds	$2,770,000

① Street improvements, storm drains, public buildings, and sewers, water mains and other utilities.

Security

The Bonds are payable from any available funds of the Agency and are secured by a first and exclusive pledge of all Tax Revenues (as defined below) and all moneys in the Reserve Account. The Tax Revenues are irrevocably pledged in their entirety to the payment of the Bonds or to the Reserve Account by transfer, so long as any of the Bonds remain outstanding or unprovided for. However, the Resolution provides for discretionary disbursement of a portion of the Tax Revenues to the Agency after certain coverage requirements and other conditions precedent have been met (see section below entitled "Creation of Funds and Accounts"—"*Surplus*").

Under the provisions of the Community Redevelopment Law and the Redevelopment Plan for the Norwalk Boulevard Redevelopment Project, taxes on property in the Project levied by any taxing agency on or after July 1, 1973 (the date on which the allocation of Tax Revenues commences), have been and will be allocated in the following manner:

(1) Taxes levied at the total prevailing rates each year against an amount equivalent to the recorded 1972/73 assessed valuation of property within the Project (the "frozen base"), will continue to be paid into the funds of the respective taxing agencies.

(2) Taxes derived from increases in the assessed valuation of property within the Project

above the frozen base occurring for any reason (the "Tax Revenues") will be deposited in the Special Fund of the Agency, held and administered by the Fiscal Agent for payment of the Bonds.

The Bonds are special obligations of the Redevelopment Agency of the City of Santa Fe Springs and as such are not a debt of the City of Santa Fe Springs, the State of California, or any of its political subdivisions. Neither the city, state, nor any of its political subdivisions are liable for their payment. These Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory debt limitation or restriction.

The validity of the Bonds is not dependent upon the completion of the Project or upon the performance by anyone or his obligation relative to the Project.

Creation of Funds and Accounts

The Resolution provides for the establishment of funds and accounts to be held by the Fiscal Agent for the administration and control of the proceeds obtained from sale of the Bonds, other funds allocable to the Project, and from the pledged Tax Revenues. Specific aspects of these funds and accounts are described as follows.

The Redevelopment Fund—Moneys deposited in the Norwalk Boulevard Redevelopment Project Redevelopment Fund from Bond proceeds and any other sources, if required by the Agency, shall be used for the purpose of aiding in financing the Project. All moneys in excess of those required to complete the Project may be transferred from the Redevelopment Fund to the Special Fund, or be held in the Redevelopment Fund to assist in financing subsequent phases of the Project, if any, as determined by the Agency.

The Special Fund—Under the provisions of the Resolution, the Agency authorizes and directs the payment of Tax Revenues, as defined in a preceding section, directly to the Fiscal Agent for deposit in the Norwalk Boulevard Redevelopment Project Special Fund.

So long as any of the Bonds are outstanding, moneys in the Special Fund shall be set aside in the following special accounts and be used in the following order of priority:

(1) *Interest Account.* On or before the last day of November 1976, and the last days of each May and November thereafter, the Fiscal Agent shall set aside from the Special Fund in the Interest Account an amount sufficient to pay the aggregate interest on all of the outstanding Bonds on the next succeeding interest payment date. Any funds so set aside shall be applied solely to the payment of interest on the Bonds when due (including accrued interest on any Bonds purchased or redeemed prior to maturity).

(2) *Principal Account.* On or before the last day of each November, commencing November 30, 1977 and ending November 30, 1988, the Fiscal Agent shall set aside from the Special Fund in the Principal Account an amount sufficient to pay the aggregate yearly principal becoming due and payable on the outstanding Serial Bonds on the next principal payment date. All funds in the Principal Account shall be applied solely for the payment of principal of the Serial Bonds when due and payable.

(3) *The Reserve Account.* After making the foregoing deposits, the Fiscal Agent shall set aside in the Reserve Account an amount sufficient to maintain the Minimum Reserve (as defined below) in said Reserve Account.

Moneys in the Norwalk Boulevard Redevelopment Project Reserve Account (initially equal to two times the maximum annual interest requirements on the Bonds) shall be withdrawn and used by the Fiscal Agent solely for the purpose of paying the interest on and principal of the Bonds, or for the purpose of retiring all of the Bonds at the time outstanding.

At all times, a Minimum Reserve (an amount equal to twice the maximum annual interest due on the Bonds) shall be maintained in the Reserve Account. Should the amount in the Reserve Account be less than the required Minimum Reserve, the Fiscal Agent shall restore the balance by transfer of the first available moneys in the Special Fund, or by transfer of any available moneys in the Sinking Account.

(4) *Sinking Account.* Commencing October 1, 1989, but only after making the deposits or transfers required under Paragraphs (1), (2) and (3) above, the Fiscal Agent shall set aside in the Sinking Account the following minimum principal amounts in each of the indicated years solely for the purchase or redemption of Term Bonds.

Year	Principal Amount	Year	Principal Amount
1989 . . .	$150,000	1993 . . .	$205,000
1990 . . .	160,000	1994 . . .	225,000
1991 . . .	175,000	1995 . . .	245,000
1992 . . .	190,000	1996 . . .	270,000

The price of any Term Bonds purchased by the Fiscal Agent (including brokerage and other expenses, but excluding accrued interest which is payable from the Interest Account) may not exceed the principal amount of such Bonds plus the premium applicable on the next following redemption date. On October 1, 1989, or any April 1 or October 1 thereafter, the Fiscal Agent shall apply all moneys available in the Sinking Account (if such moneys are sufficient to redeem at least $25,000 principal amount) to the call and redemption of Term Bonds on the next succeeding interest payment date.

The Fiscal Agent shall transfer any moneys in the Sinking Account to the Interest Account, the Principal Account or the Reserve Account, if the required deposits to such accounts or the Reserve Account cannot be made from other sources of funds.

(5) *Surplus.* The Fiscal Agent on or before December 31 of each year, shall ascertain the amount of Tax Revenues received or to be received by the Agency based upon the most recent assessed valuation of taxable property in the Project (as certified by the Auditor-Controller of Los Angeles County), and shall estimate that portion of said Tax Revenues which will be in excess of 125% of the amount of principal, Sinking Account payments and interest which shall have come due or to become due during said fiscal year on the Bonds (and any parity bonds) then outstanding, and shall promptly notify the Agency of the excess portion so determined. The Agency may, by written notice to the Fiscal Agent within 30 days after receipt of such notification, direct that an amount not exceeding said excess portion be paid to the Agency, which amount may be used by the Agency for any purpose authorized in the Law, including, without limitation, the purchase and/or call and redemption of outstanding Bonds, provided the following conditions have been met:

(a) the deposits required by the foregoing subsections (1), (2), (3) and (4) have been made so that the required amounts are in the above mentioned Accounts as shown by a certificate or opinion of an independent certified public accountant employed by the Agency; and

(b) there has been no material change in the status of the Project which, in the opinion of an independent redevelopment or fiscal consultant filed with the Fiscal Agent, would be likely to result in substantial diminution of increment in the succeeding fiscal year.

Upon receipt of the Tax Revenues, the Fiscal Agent shall make such payment or payments, as directed by the Agency.

Property Tax Rate Limitations and Exemptions

The California Legislature has enacted legislation intended to limit future increases in ad valorem property tax rates. This legislation generally limits all future general purpose tax rates to that imposed during either the 1971/72 or 1972/73 fiscal year, or the rates set by the enabling statute of the particular taxing entity. Tax rate limits may be raised by any amount which is approved by a majority vote of the electorate. Tax rates may also be increased under an inflation or "cost-of-living" formula incorporated in the legislation. This legislation does not restrict tax rates levied for certain limited purposes, e.g. general obligation bonds or for voter approved pension plans.

Certain exemptions from property taxes have been granted to specific classes of property located in California. Revenues lost by local taxing agencies from two of these exemptions (the homeowners' property tax exemption and the business inventories exemption, which are discussed under the section "City Financial Data" in this official statement) are reimbursed by the State and are allocated to eligible redevelopment agencies in the same manner as locally collected taxes. Revenues lost as a result of other types of exemptions are not reimbursed, but assessed valuations of such exempt property are not reflected in either the frozen base roll or subsequent years' rolls. There is no assurance that additional tax rate limitations or exemptions will not be approved, nor is there any assurance that revenues lost will continue to be reimbursed to local taxing agencies or allocated to redevelopment agencies. To the extent that such limitations or exemptions are approved, and reimbursement and allocation of lost revenues are not made, the security of the Bonds could be adversely affected.

There is legislation currently pending in the California Legislature which could prevent the allocation of Tax Revenues to a redevelopment agency occurring as a result of "inflationary" (re-assessment) factors following adoption of a given redevelopment plan, and could also exclude the allocation of Tax Revenues generated from higher property tax rates in years subsequent to adoption of such redevelopment plan. As presently drafted, the pending legislation would apply to redevelopment projects adopted after its effective date (January 1, 1977, if enacted in its present form). Consequently, it is expected that this legislation will not apply to the Norwalk Boulevard Redevelopment Project, and will have no effect on the production of Tax Revenues, whether from new development, higher property tax rates, or re-assessment of existing property. As discussed elsewhere in this official statement, such Tax Revenues are believed to be sufficient, at current income levels, to retire the Bonds at or prior to their final maturity (December 1, 1996). There is as yet no such legislation in effect, nor is it presently known whether such legislation will, in fact, be enacted by the California Legislature during its current session.

Redevelopment agencies in California do not have the power to levy or collect property taxes, but must rely upon the taxes levied on property within a project by other taxing agencies for the production of Tax Revenues. The minimum tax rate for all purposes currently applicable to property located within the Project is $12.2764 per $100 assessed valuation. For the purposes of this official statement, projections of Tax Revenues to be received in or for 1975/76 and subsequent years are based upon the lowest tax rates in effect for 1975/76.

The Superior Court of California for the County of Los Angeles has held the California system of financing public elementary and high schools, based on ad valorem taxation, invalid under the California Constitution. (Serrano v. Priest, Case No. LA 30398). The case is now before the Supreme Court of California on direct appeal. The Superior Court judgment provides that the existing system of financing schools shall continue to operate for a reasonable length of time (not to exceed 6 years) so that a constitutional system can be placed into operation. To the extent this decision, the decision of the California Supreme Court and any future legislative or judicial action required to implement or enforce such decision, may limit the ability of schools to continue to levy ad valorem property taxes for the support of education, Tax Revenues will be reduced, adversely affecting the security of the Bonds. The total 1975/76 tax rate for public elementary and high schools within the Project is $5.9590 per $100 assessed valuation.

Issuance of Additional Bonds

The Agency may, by Supplemental Resolution, issue Additional Bonds to pay the costs of the Project (including subsequent phases of the Project, if any) provided:

a. The Agency must be in compliance with all covenants set forth in the Resolution.

b. The Reserve Account must be increased, if necessary, by an amount sufficient to maintain the Minimum Reserve (twice the maximum annual interest due on the Bonds and any Additional Bonds).

c. The Additional Bonds must mature on December 1, and interest thereon is to be payable June 1 and December 1 of each year, except the first year, which may be payable at the end of said year.

d. Tax Revenues produced or to be produced from the most recent equalized assessed valuation of taxable property located in the Project (including an allowance for estimated Tax Revenues to be derived upon completion for construction in progress) are at least equal to 1.25 times the assumed average annual debt service on all series of the outstanding Bonds and the Additional Bonds proposed to be issued, as opined to by an independent certified public accountant employed by the Agency (the computation of assumed average annual debt service is to be made on the basis of approximately equal annual payments of principal plus interest over the entire term of the Bonds and the Additional Bonds proposed to be issued). For purposes of this computation, taxable property shall include assessed valuations of property exempt from local property taxation by reason of the homeowners' and business inventories exemptions, to the extent that in-lieu payments for such exemptions are made to the Agency.

e. The Agency must have received all required approvals of any governmental authority having jurisdiction over the Additional Bonds or their terms.

However, the Agency does not, at the present time, anticipate issuing any Additional Bonds for the Norwalk Boulevard Redevelopment Project.

Refunding Bonds

Existing State Law provides that refunding bonds secured by Tax Revenues derived from the Norwalk Boulevard Redevelopment Project may be issued for the purpose of refunding all or any series of the Bonds then outstanding.

Certain Covenants of the Agency

Certain covenants of the Agency under the Resolution are summarized in the following paragraphs.

1. The Agency will punctually pay, or cause to be paid, the principal of and interest on the Bonds as they become due.

2. The Agency will not encumber, pledge, or place any charge or lien upon any of the Tax Revenues superior to or on a parity with the pledge and lien created in the Resolution except as provided in the Resolution.

3. The Agency will deposit and use the Bond proceeds as provided in the Resolution, and will manage and operate all properties owned by the Agency and comprising any part of the Project in a sound and businesslike manner and will keep such properties insured at all times in conformity with sound business practice.

4. The Agency will pay and discharge, or cause to be paid and discharged any governmental charges imposed, and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge which might impair the security of the Bonds. The Agency does not, however, covenant to make any such payment so long as the Agency in good faith shall contest the validity of said claims.

5. The Agency will keep proper books of accounts and will cause to be prepared within 120 days after the close of each fiscal year complete financial statements, in reasonable detail, on the Project, the Tax Revenues and other funds and accounts as provided in the Resolution, all as certified by an independent certified public accountant. The Agency will furnish a copy of such statements to any Bondholder upon written request. Said books and accounts will be maintained separate and apart from those of the City of Santa Fe Springs.

6. The Agency will commence and will continue to completion with all practical dispatch the Project, and the Project will be accomplished and completed in a sound and economical manner and in conformity with the Redevelopment Plan, and the Community Redevelopment Law. The Redevelopment Plan may be amended as provided in the Law, but no such amendment may be made which would substantially impair the security of the Bonds or the rights of the Bondholders.

7. If all or any part of the Project owned by the Agency shall be taken by eminent domain proceedings, the net proceeds realized by the Agency therefrom shall be deposited with the Fiscal Agent in the Special Fund for the purpose of paying principal of and interest on the Bonds subject to the terms, conditions and requirements contained in the Resolution.

8. Whenever any property in the Project has been redeveloped and thereafter is leased by the Agency to any person or persons (other than the City of Santa Fe Springs or a public instrumentality thereof), or whenever the Agency leases real property in the Project to any person or persons for redevelopment, the property shall be assessed and taxed in the same manner as privately owned property (in accordance with Section 33673 of the Health and Safety Code of the State of California), and the lease or contract shall provide: (a) that the lessee shall pay taxes upon the assessed value of the entire property and not merely upon the assessed value of their leasehold interest, and (b) that if for any reason the taxes paid by the lessee on such property in any year during the term of the lease or contract shall be less than the taxes which would have been payable upon the assessed value of the entire property if the property were assessed and taxed in the same manner as privately owned property, the lessee shall pay such difference to the Fiscal Agent within thirty days after the taxes for such year become payable to the taxing agencies and in any event prior to the delinquency date or dates of such taxes established by law. All such payments to the Fiscal Agent shall be treated as Tax Revenues and shall be deposited by the Fiscal Agent in the Special Fund.

9. The Agency will not dispose of more than 10% of the land area in the Project (other than property shown by the Redevelopment Plan in effect as of the date of the Resolution as planned for public use, or for such other limited public uses as specified in the Resolution) to public bodies or other persons or entities whose property is tax exempt if as a result of such disposition the security of the Bonds or the rights of the Bondholders will be substantially impaired.

10. The Agency will preserve and protect the security of the Bonds and the rights of the Bondholders, and will warrant and defend their rights against all claims and demands of all persons.

11. The Agency will not invest or cause to be invested proceeds of the Bonds in a manner which would result in the Bonds becoming taxable arbitrage bonds within the meaning of Section 103(d) of the Internal Revenue Code, as amended, and applicable regulations adopted thereunder.

Deposit and Investment of Moneys in Funds

Subject to the provisions of the Resolution all moneys held by the Fiscal Agent in the Redevelopment Fund and the Special Fund, except such moneys which are at the time invested, shall be held in time or demand deposits in any bank or trust company authorized to accept deposits of public funds (including the banking department of the Fiscal Agent) and shall be secured at all times by bonds or other obligations which are authorized by laws as security for public deposits, of a market value at least equal to the amount required by law.

Moneys in the Redevelopment Fund and the Special Fund may, and upon written request of the Agency shall, be invested by the Fiscal Agent in certain Federal securities as described in the Resolution.

Obligations purchased as an investment of moneys in any of said funds shall be deemed at all times to be a part of such fund and any gain realized from such investment shall be credited to such fund and any loss resulting from any such authorized investment shall be charged to such fund without liability to the Agency or the members and officers thereof or to the Fiscal Agent. Investment income from moneys in the Reserve Account in excess of the Minimum Reserve may, at the request of the Agency, be transferred to the Redevelopment Fund, and investment income from moneys in the Redevelopment Fund may be so transferred to the Reserve Account.

For the purpose of determining at any given time the balance in such fund, any investment constituting a part of such fund shall be valued at the estimated market value of such investment.

Event of Default—Remedies

The Resolution declares each of the following events to be an event of default:

(1) Failure to pay the principal on the Bonds when due and payable;

(2) Failure to pay interest on the Bonds when due and payable;

(3) Default by the Agency in the performance or observance of any of the covenants, agreements or conditions in the Bonds or in the Resolution if such default continues for sixty (60) days after written notice thereof has been given to the Agency by the Fiscal Agent or by the holders of not less than 25% in aggregate principal amount of the Bonds then outstanding;

(4) The assumption by any court of competent jurisdiction, under the provisions of any law for the relief or aid of debtors, of custody or control of the Agency or the whole or any substantial part of its property if such custody or control shall not be terminated or stayed within sixty (60) days from the date of assumption of such custody or control.

In the case of an event of default, the Fiscal Agent may, and upon written request of the holders of not less than a majority in aggregate principal amount of the Bonds at the time outstanding must, declare the principal of all the Bonds then outstanding and the interest thereon to be due and payable immediately.

In addition, in the case of an event of default, the Fiscal Agent may, and upon written request of the holders of not less than a majority in principal amount of the Bonds then outstanding must, proceed to protect or enforce the rights of the Bondholders by whatever appropriate judicial proceeding or proceedings the Fiscal Agent deems most effectual.

In the event that the Fiscal Agent, upon the occurrence of an event of default, shall have taken some action, it shall have the full power, in the exercise of its discretion, to continue, discontinue, withdraw, compromise, settle or otherwise dispose of such action unless, if the event of default is still in existence, and if at the time there has been filed with them the written request signed by the holders of at least a majority in principal amount of the Bonds outstanding opposing such continuance, discontinuance, withdrawal, settlement or other disposal of such litigation, then the Fiscal Agent may not discontinue, withdraw, compromise, settle or otherwise dispose of any litigation, pending at law or in equity.

The Resolution provides that no remedy conferred therein upon the Fiscal Agent or the Bondholders shall be exclusive of any other remedy, and that each and every remedy shall be cumulative and shall be in addition to every other remedy given under the Resolution or thereafter conferred upon

the Fiscal Agent or Bondholders. However, the effect of any such remedies may be limited by the laws of the State of California affecting such remedies and may also be limited by laws governing bankruptcy, insolvency or other matters affecting enforcement of creditors' rights.

Amendment of the Resolution

The Resolution may be modified or amended only with the consent of the holders of 60% of all Bonds then outstanding (exclusive of Bonds owned by the Agency or the City) unless the modification of amendment is for the purpose of curing ambiguities or defects in the Resolution; or grants or confers upon the Bondholders additional rights, remedies, powers, authority or security, in which case no Bondholder's consent is required. No modification or amendment of the Resolution shall, without the express consent of the Bondholder, reduce the principal amount of any Bond, reduce the interest rate payable thereon, advance the earliest redemption date, reduce the premium payable upon redemption thereof, extend the maturity of the Bonds or the time for paying interest thereon, or reduce the percentage of consent required for amendment or modification of the Resolution.

REDEVELOPMENT AGENCY OF THE CITY OF SANTA FE SPRINGS

The Redevelopment Agency

In 1961, the Santa Fe Springs City Council took action that formally recognized the need for redevelopment of portions of the city. The Agency was created under the provisions of the Community Redevelopment Law by Resolution No. 642, approved and adopted by the City Council on April 27, 1961. The City Council declared itself to be the Agency. The Agency appoints an Executive Director to implement Agency policies and administer redevelopment activities.

The Agency staff is organized as a division within the Planning and Development Department, and the employees assigned to Agency activities are city employees. As such, these employees are under the city retirement system which is part of the State system, as detailed on page 28.

City staff provides technical services connected with the redevelopment projects, including fiscal services, engineering, planning, legal assistance and other functions necessary for project implementation.

The Director of Planning and Development, Mr. Richard H. Weaver, also acts as Executive Director of the Agency. He has been an employee of the city since 1958 in positions of successive responsibility. Mr. Weaver holds a Masters degree in Public Administration, and has gained 26 years experience in the field of planning and community development. Among other affiliations, he is President of the California Planner's Foundation, a member of the Board of Directors of the League of California Cities, and a member of the American Institute of Planners, the American Society of Planning Officials, the American Society of Public Administration, and the International Federation of Housing and Planning. Other Agency staff members are trained and experienced in public administration, urban planning, and community development.

Agency financial records are maintained in the city's Finance Department under the supervision of

the Finance Director, Mr. Donald M. Nuttall, who also acts as Treasurer of the Agency. Mr. Nuttall has served the city since July of 1966, and has gained a total of 20 years experience in the field of municipal auditing, accounting, budgeting and related activities. He is a Certified Public Accountant, with degrees in accounting and business administration. He is a member of the Board of Directors of the California Society of Municipal Finance Officers, and the Executive Committee of the National Council on Governmental Accounting.

Powers

All powers of the Agency are vested in its five members. Under the Community Redevelopment Law, the Agency is a separate public body and exercises governmental functions in executing duly adopted redevelopment projects. As such, the Agency has the authority to acquire, develop, administer, and sell or lease property, including the right of eminent domain, the right to accept financial assistance from any source, and the power to issue bonds, notes or other evidences of indebtedness, and expend their proceeds. The Agency itself does not have the power to levy taxes.

The Agency may also clear buildings or other improvements, develop as a building site any real property owned or acquired, and in connection with such development, may provide for the installation of streets, utilities, sidewalks, and other necessary public improvements. With the exception of publicly owned structures and facilities benefitting the Project, the Agency itself cannot construct any buildings contemplated under the Redevelopment Plan but must convey property in the Project by sale or lease at fair value, for private redevelopment in strict conformity with the Plan. The Agency may specify a period of time within which such development must begin.

Tax Allocation Financing

The Community Redevelopment Law authorizes a method of financing redevelopment projects based upon a prescribed allocation of property taxes collected within a project. The assessed valuation of taxable property within the project is, in effect, frozen at the level set forth in the assessment rolls last equalized prior to the effective date of the Ordinance adopting the redevelopment plan, and all overlapping taxing bodies continue to receive the taxes derived by the levy of the current tax rate against the assessed valuation of the project up to an amount equivalent to this frozen base. All property taxes collected each year after the adoption of the redevelopment plan upon any increase in assessed valuation above the established base level may be credited to a redevelopment agency and pledged to the repayment of any indebtedness incurred in the development of the project. The county also distributes to the Agency the incremental delinquent taxes in the same manner after they are collected. After all indebtedness of the Agency for a given project has been repaid, the total taxes produced by the project thereafter accrue to the respective taxing bodies in the usual manner. Thus, the tax allocation procedure not only permits each taxing agency to levy and collect taxes on the level of assessed valuation existing in a project prior to redevelopment, but also provides that increases in assessed valuation occurring as a result of such redevelopment may be used as a basis for the repayment of costs or indebtedness incurred in behalf of the project.

During the course of redevelopment, assessed valuations may temporarily be less than the frozen base, as a redevelopment agency acquires land and improvements and the properties are removed from the tax rolls by virtue of the transfer to public ownership, or as other land development activities result in a short-term reduction in assessed valuation. While assessed valuations are less than the frozen base, overlapping taxing entities receive only the taxes derived from the current tax rate applied against the actual assessed valuation. As an agency disposes of land to private ownership for purposes of redevelopment, it is returned to the tax rolls with an assessed valuation that usually reflects the higher level of planned use prescribed in the redevelopment plan. In the event that privately-owned property is acquired and permanently removed from the tax rolls for public uses, the frozen base valuation is reduced proportionately so that the ability to generate Tax Revenues from any new development will not be impaired.

As previously stated, the Community Redevelopment Law authorizes the incurrence of indebtedness by a redevelopment agency, and the payment of debt service costs is permitted from any one or a combination of stated sources. The 1976 Tax Allocation Bonds now being offered for sale are secured by a pledge of tax receipts produced from the incremental assessed valuation of the Project (previously defined as the Tax Revenues) which are to

be paid directly into the Agency's Special Fund established for the benefit of the Bondholders, and held by the Fiscal Agent. As discussed previously, Tax Revenues received each year in excess of one hundred and twenty five percent (125%) of aggregate annual interest and principal requirements on the Bonds (and for other required payments and deposits, if any) may be paid to the Agency by the Fiscal Agent.

Agency Financial Statements

The Redevelopment Agency of the City of Santa Fe Springs is a public entity separate and apart from the City of Santa Fe Springs, but is entirely staffed by employees of the city. All accounting records of the Agency operations are maintained by the city's Finance Department separately from the accounting records of the city. Prior to the 1974/75 fiscal year, the primary financial transactions of the Agency were in the Flood Ranch Redevelopment Project (a federally assisted project under the Renewal Assistance Program), and Agency accounting records were subjected to federal audit. No independent audits were performed. During 1974/75, a final audit of this project was conducted by the Department of Housing and Urban Development, and the federal participation in the project was completed. Agency operations for the fiscal year ended June 30, 1975 were reported in a separate audit prepared by Price Waterhouse & Co. Separate audits will be prepared for subsequent fiscal years, and as required by the Resolution, will be available to any Bondholder upon request within 120 days following the close of each fiscal year. The accrual basis of accounting is followed by the Agency, and by the city with respect to the Redevelopment Revolving Fund.

Pursuant to the provisions of Section 33620 of the California Health and Safety Code, a Redevelopment Revolving Fund was established in the Treasury of the city to account for advances made to the Agency from city general and special revenue funds. Cash advances to the Agency were recorded in the Revolving Fund, but expenditures made by the city on behalf of the Agency were not fully accumulated as an indebtedness of the Agency. The "prior period adjustment" reflected in Table 1-B (below), records these expenditures and accrued interest thereon as an indebtedness of the Agency. Such indebtedness is not formalized by an executed reimbursement agreement between the Agency and the city, but is based on accounting records maintained by both parties. Moreover, the repayment of all such indebtedness to the city is subordinate to the payment of interest and principal of outstanding tax allocation bonds, if any, of the Agency issued on behalf of any of its redevelopment projects.

Agency financial records indicate the following history of total tax increment income received by the various redevelopment projects: 1968/69-\$3,437; 1969/70-\$0; 1970/71-\$0; 1971/72-\$51,105; 1972/73-\$92,809; 1973/74-\$328,701; and 1974/75-\$1,221,586 (a breakdown by project of tax increment income for 1974/75 is presented in Table 2, below). Portions of such tax increment income have been paid to the city to reduce the Agency's indebtedness to the Revolving Fund held in the city Treasury. Such indebtedness of the Agency at June 30, 1975, after allowance for all repayments, is presented in Table 1-A, and confirmed in Table 2-A, as discussed below.

Tables 1-A, 1-B and 1-C, below, present respectively the following information pertaining to the Redevelopment Revolving Fund for the fiscal years ended June 30, 1974 and 1975: (1) Balance Sheet as of June 30 for each year; (2) Statement of Changes in Fund Balance for each of the two fiscal years; and (3) Statement of Revenue and Fund Transfers for the two indicated years.

Tables 2-A and 2-B present audited financial statements of the Agency as of June 30, 1975 pertaining to the four redevelopment projects administered by the Agency. Because of the previously mentioned revision of accounting procedures, prior years' statements are considered to be incompatible and are therefore not presented herein. The notes to the financial statements of the Agency for the year ended June 30, 1975 are re-printed from the audit in their entirety.

Table 1

CITY OF SANTA FE SPRINGS

REDEVELOPMENT REVOLVING FUND

Balance Sheet

June 30 (1-A)

	1975	1974
Assets		
Accrued interest receivable	$ 106,857	$ 40,306
Due from the Redevelopment Agency of the City of Santa Fe Springs	1,441,933	940,156
	$1,548,790	$ 980,462
Fund balance	$1,548,790	$ 980,462

Statement of Changes in Fund Balance

Year Ended June 30 (1-B)

	1975	1974
Fund balance at beginning of year as previously reported	$ 180,059	$ 337,408
Prior period adjustment		
Adjustment resulting from a change in the method of accounting for recoverable expenditures	800,403	737,081
Fund balance at beginning of the year as restated	980,462	1,074,489
Revenue and fund transfers	568,328	(94,027)
Fund balance at end of year	$1,548,790	$ 980,462

Statement of Revenue and Fund Transfers

Year Ended June 30 (1-C)

	1975	1974 (restated)
Revenue		
Interest income	$ 68,551	$ 58,322
Fund transfers		
From—		
General fund	430,448	5,567
Fiscal Assistance Act Trust Fund	91,329	5,000
To—		
General fund	(20,000)	(162,916)
	501,777	(152,349)
Total revenue and fund transfers	$ 568,328	$ (94,027)

Source: 1974/75 Annual Financial Report, as audited by Price Waterhouse & Co., a copy of which is on file with the city.

Table 2

THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA FE SPRINGS

Balance Sheet
June 30, 1975 (2-A)

	Total (memorandum only)	Redevelopment Project Trust Funds: Pioneer-Telegraph Fund	Oil Field Fund	Norwalk Boulevard Fund	Flood Ranch Fund
ASSETS					
Cash (including time deposit of $60,000)	$ 389,856		$ 2,555	$ 63,615	$ 323,686
Grant receivable from federal government	180,004				180,004
Property taxes receivable	1,151,698	$ 81,785	645,212	245,951	178,750
Due from Pioneer-Telegraph Fund	148,506			148,506	
Land—(Note 1)	20,887		20,887		
	$1,890,951	$ 81,785	$668,654	$458,072	$ 682,440
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 78,737	$ 194	$ 393	$ 135	$ 78,015
Accrued interest payable (Notes 2 and 3)	117,722	3,003	3,901		110,818
Note payable to bank (Note 2)	490,000				490,000
Due to City of Santa Fe Springs, excluding interest (Note 3)	1,441,933	105,338	159,154	15,932	1,161,509
Due to Norwalk Boulevard Fund	148,506	148,506			
Total liabilities	2,276,898	257,041	163,448	16,067	1,840,342
Fund balances (deficit)	(385,947)	(175,256)	505,206	442,005	(1,157,902)
	$1,890,951	$ 81,785	$668,654	$458,072	$ 682,440

Statement of Revenues, Expenditures, and Changes in Fund Balance
Year Ended June 30, 1975 (2-B)

	Total (memorandum only)	Redevelopment Project Trust Funds: Pioneer-Telegraph Fund	Oil Field Fund	Norwalk Boulevard Fund	Flood Ranch Fund
Revenues					
Tax increments (Note 1)	$1,221,586	$ 84,267	$668,409	$288,634	$ 180,276
Grant from federal government (Note 1)	180,004				180,004
Interest and other income	15,382			9,932	5,450
Total revenues	1,416,972	84,267	668,409	298,566	365,730
Expenditures					
Administrative expenses	27,104	4,886	7,822	3,686	10,710
Public improvements (Note 1)	403,166	88,294	150,043	17,835	146,994
Interest expense	84,847	11,959	4,008	42	68,838
Rent subsidy	4,795				4,795
Total expenditures	519,912	105,139	161,873	21,563	231,337
Excess of revenues over expenditures (deficit)	897,060	(20,872)	506,536	277,003	134,393
Fund balances at beginning of year	(1,283,007)	(154,384)	(1,330)	165,002	(1,292,295)
Fund balances at end of year	$ (385,947)	$(175,256)	$505,206	$442,005	$(1,157,902)

Source: 1974/75 Annual Financial Report, as audited by Price Waterhouse & Co., a copy of which is on file with the Agency.

THE REDEVELOPMENT AGENCY OF THE CITY OF SANTA FE SPRINGS

NOTES TO FINANCIAL STATEMENTS
June 30, 1975

Note 1—Nature of the Agency and Significant Accounting Policies

The Redevelopment Agency of the City of Santa Fe Springs (the Agency) is a separate governmental entity established pursuant to the State of California Health and Safety Code, section 33000 entitled "Community Redevelopment Law". Its purpose is to prepare and carry out plans for the impovement, rehabilitation and redevelopment of blighted areas within the territorial limits of the City of Santa Fe Springs. The State Health and Safety Code provides that upon the approval of a redevelopment plan, all future incremental increases in the tax base within the designated project area will be paid to the redevelopment agency until all indebtedness incurred to finance the project has been paid. Currently, most financing required by the agency is provided by the City of Santa Fe Springs.

The Agency is currently administering four redevelopment projects. Three projects, Pioneer-Telegraph, Oil Field and Norwalk Boulevard, were established in fiscal year 1973. The areas of the City defined by these projects include principally unimproved industrial properties. The fourth project, Flood Ranch, was established in fiscal year 1965. The area of the City defined by this project is principally a residential district. A portion of the financing for this project was provided by the U.S. Department of Housing and Urban Development.

Significant accounting policies—The accounting policies of the Agency conform to generally accepted accounting principles. The following is a summary of significant policies:

Basis of accounting—The accrual basis of accounting is followed by the Agency.

Fund accounts—Each redevelopment project is a separate trust fund. When a project is completed and all indebtedness is paid, the Agency will abolish the fund and transfer any remaining assets to the City of Santa Fe Springs.

Land—Property acquired by the Agency which is to be held for resale is capitalized at cost.

Public improvements—Expenditures by the Agency for public improvements are not capitalized by the Agency. Expenditures which qualify for capitalization as fixed assets are conveyed to the City of Santa Fe Springs and are recorded in the City's fixed asset group of accounts. Such expenditures amounted to $96,169 during fiscal year 1975.

Note 2—Note Payable to Bank

Interest on the Flood Ranch Fund note payable of $490,000 is accrued at 4.78% per annum. At June 30, 1975 this amounted to $10,865. The note plus interest was paid in full on July 18, 1975.

Note 3—Amounts Due to the City of Santa Fe Springs

The City of Santa Fe Springs advances funds to the Agency from time to time as needed. Interest on such advances is accrued at 7% per annum and totaled $106,857 at June 30, 1975.

Notes to Financial Statements re-printed in their entirety from the audit of the Agency for the year ended June 30, 1975.

Agency Redevelopment Projects

Since April of 1966, the Agency and City Council have approved and adopted plans for a total of four redevelopment projects within the City of Santa Fe Springs. In order of adoption date, these projects are: (1) The Flood Ranch Redevelopment Project, adopted April 14, 1966 pursuant to Ordinance No. 290 of the City Council (as amended by City Council Ordinance No. 378 on April 9, 1970); (2) The Pioneer-Telegraph Redevelopment Project, adopted June 8, 1972 pursuant to Council Ordinance No. 422; (3) The Norwalk Boulevard Redevelopment Project, adopted July 31, 1972 pursuant to Council Ordinance No. 428; and (4) The Oil Field Redevelopment Project, adopted August 9, 1973 pursuant to Council Ordinance No. 441 (as amended by City Council Ordinance No. 482 on August 14, 1975). Summary information pertaining to these four projects is presented below, while more detailed data concerning the project for which the Bonds are currently being issued, as described in this official statement, is discussed in the following section hereof.

The Flood Ranch Redevelopment Project—This was the first redevelopment project adopted by the Agency, and is now essentially complete. Originally an area of older, deteriorating mixed residential, agricultural and other non-conforming or underutilized land uses, the project has been transformed into a modern, attractive residential area through the acquisition, clearance and redevelopment of blighted properties, installation of needed public improvements, and rehabilitation of approximately 37 percent of the pre-existing residential structures. Encompassing 65 acres, the Flood Ranch Redevelopment Project presently contains approximately 228 single family homes (of which 167 are newly constructed and 61 have been rehabilitated), and 275 new multi-family dwelling units.

Financing was provided under the Renewal Assistance Program administered by the Department of Housing and Urban Development, and from local sources. The approved project capital grant from the federal government was $3,485,186, while the City of Santa Fe Springs had advanced a total of $1,246,793 through June 30, 1975. As shown in Table 2-A (page 16, hereof), the Flood Ranch Redevelopment Project was still indebted to the city for $1,161,509 as of June 30, 1975. The Agency anticipates that it will offer an issue of tax allocation bonds secured by the Tax Revenues received from the Flood Ranch Redevelopment Project (currently estimated at about $190,000 per year), to repay remaining outstanding city advances to this project. The preliminary financing schedule provides for the issuance of such bonds in the second half of the 1976 calendar year.

The Pioneer-Telegraph Redevelopment Project—As the Agency's second project, a 183-acre area of the city was designated as the Pioneer-Telegraph Redevelopment Project. The project area was found to contain a variety of blighting influences, including: improper traffic circulation and street development, improper and underutilized land uses, inadequate public utilities, and improper storm water drainage. With the exception of the Town Center complex of civic buildings, this project is intended for industrial park and office uses, and activities of the Agency are designed to permit and promote effective development of property within the project boundaries for authorized uses. When adopted in 1972, the project was approximately 27 percent developed (with nearly one-half of that in non-conforming uses), and the balance of developable land (107.5 acres) was largely vacant or underutilized.

Pursuant to the redevelopment plan for this project, the Agency plans to expend over the next several years approximately $1.5 million in property acquisition costs, relocation expenses, and for the installation of needed public facilities to attract and foster private development. Sources of funds for such expenditures may include (but are not limited to): proceeds of tax allocation bonds issued by the Agency; application of tax increment income (excess Tax Revenues, if any) from this project; additional advances by the city; available state and federal aids and grants; and any other available sources of funds. The ultimate amount of any such expenditures is dependent upon the nature and scope of new development within the project.

At present, the County of Los Angeles has recorded an incremental assessed valuation of $1,315,100 for the Pioneer-Telegraph Redevelopment Project over the base year valuation from new construction, additions, alteration of land uses, and increased valuation of existing property. In order to prepare the project for further development, the Agency will pledge the approximately $161,400 of current annual Tax Revenues to the repayment of $1,250,000 of 1976 Tax Allocation Bonds now being offered, to finance various public improvements, and to repay previous advances made by the city.

The Norwalk Boulevard Redevelopment Project—Virtually concurrent with adoption of the Pioneer-Telegraph Redevelopment Project, the Agency and City Council approved the 443-acre adjoining Norwalk Boulevard Redevelopment Project. Although larger, this project suffered the same blighting char-

acteristics, and also contained portions of an oil field with declining production which could be susceptible to improvement of surface rights. This project is also considered to be suited for industrial/office development, and the Agency is considering the expenditure of up to $2,145,000 from available sources of funds over a period of years to finance the costs of property acquisition and public improvements needed to attract and serve anticipated private development within the project. Without significant activity by the Agency, the assessed valuation of the Norwalk Boulevard Redevelopment Project increased from a base-year valuation of $4,347,390 to a current (1975/76) valuation of $7,711,665. The $3,364,275 increase occurred as a result of new development, additions, alterations, upgraded land use, and increased assessment of existing property. The Agency is currently offering for sale $2,770,000 principal amount of 1976 Tax Allocation Bonds for the purpose of financing the limited acquisition of property, public improvements, and the removal of impediments to development from petroleum producing properties. Tax Revenues presently amounting to approximately $358,200 per year (after allowance for potential reduction of recoverable mineral values) will be pledged to retirement of the proposed bond offering. With the expenditure of net available bond proceeds, the Agency anticipates accelerated development of this project.

The Oil Field Redevelopment Project—When adopted in August of 1973, this project contained an area of 589 acres immediately to the east of the Norwalk Boulevard Redevelopment Project. The project was amended in August of 1975 to include an additional 455 acres, which increased the total project area to 1,044 acres. Together with the Pioneer-Telegraph and Norwalk Boulevard Redevelopment Projects, this project completes an east-west, north-south coverage of vacant, improperly or underutilized land within the City of Santa Fe Springs that is capable of comparatively rapid development into industrial/office uses without significant removal of existing residents, property owners or tenants. In the aggregate, the three redevelopment projects contain an estimated 48 dwelling units, of which 39 are expected to require relocation of the residents and removal of the structures. Few substandard industrial structures or facilities have been noted in Agency surveys (except for abandoned oil field facilities), which indicates a minimum in relocation expenses. The three adjoining redevelopment projects are readily accessible by means of multi-lane city streets to the Interstate 605 (San Gabriel River) and Interstate 5 (Santa Ana) Freeways, and by direct rail service via the Southern Pacific and Atchison, Topeka & Santa Fe Railroads. The existence of direct access to these surface transportation routes makes all three projects convenient to all points in the Los Angeles basin, northern California, and throughout the continental United States. In addition, the Los Angeles/Long Beach Harbor complex and Los Angeles International Airport both are within two hours (truck) driving time from the city. These transportation advantages are expected to add an impetus to development of the Oil Field Redevelopment Project, as well as the two redevelopment projects discussed immediately preceding.

After adoption of the Redevelopment Plan for the Oil Field Project, a substantial increase in assessed valuation was experienced in the 1974/75 fiscal year. However, the Los Angeles County Assessor introduced a lower assessment for recoverable mineral values for 1975/76, which reduced the incremental assessed valuation below 1974/75, but still above the base year of 1972/73 ($4,932,825). The 1975/76 assessed valuation ($6,150,249) is $1,217,424 above the base-year valuation, and at the minimum property tax rate of $12.2764 for each $100 of assessed valuation of taxable property located within this project, will yield approximately $149,000 per year which may be applied to project costs. The Los Angeles County Assessor has indicated that any decrease in mineral values will result in an increase in surface values, as it becomes possible to utilize surface rights to a greater extent with the decline in oil industry activities.

Despite the anticipated temporary reduction in incremental assessed valuation of the Oil Field Redevelopment Project, the Agency is proceeding with plans for ultimate redevelopment of the project area. Among those activities presently being followed are: Installation of public improvements (storm drains, streets, railroad grade separation, and special assessment financing for additional street improvements); acquisition of vacant undersize parcels; meetings with petroleum representatives for removal of unneeded oil producing and processing facilities; negotiating with private developer(s) of property within the project; and negotiating with petroleum industry representatives to free surface rights of their property for a higher class of use.

Although this project has experienced an upward surge followed by a decline of assessed valuation, the Agency believes that the release of usable surface rights will permit an intensive development of the property within this project, which should result in a significant increase in assessed valuation over the base year.

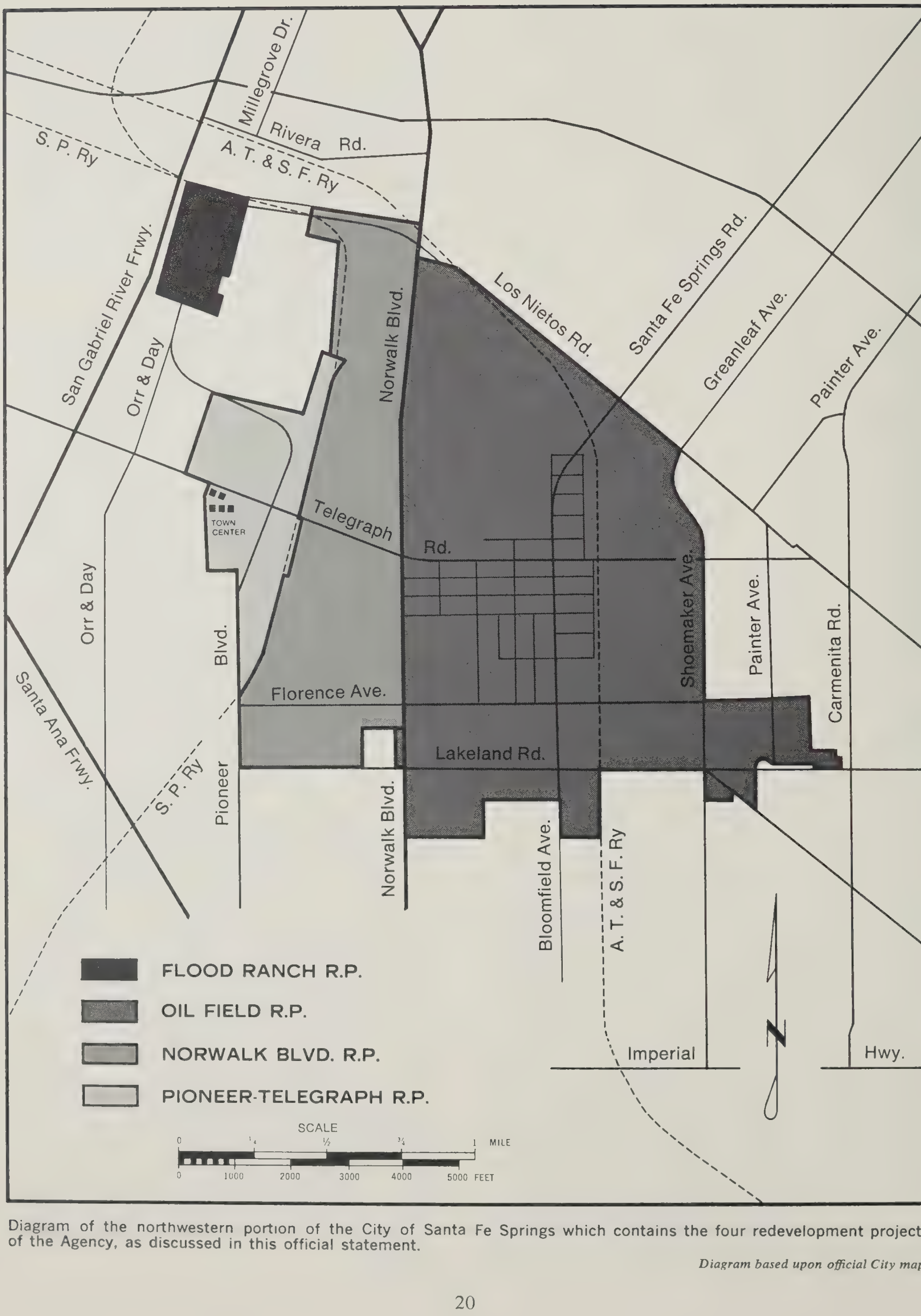

Diagram of the northwestern portion of the City of Santa Fe Springs which contains the four redevelopment projects of the Agency, as discussed in this official statement.

Diagram based upon official City maps

THE NORWALK BOULEVARD REDEVELOPMENT PROJECT

Background

The Redevelopment Plan (the "Plan") for the Norwalk Boulevard Redevelopment Project was adopted by the Agency and the City Council pursuant to its Ordinance 428 on July 31, 1972. This Project, the third to be undertaken by the Agency, is located in the central segment of the city approximately one mile east of the interchange of Telegraph Road and the San Gabriel River Freeway (Interstate 605). Conditions in the Project area prior to the adoption of the Plan met the statutory conditions for blight, with findings of inadequate traffic circulation and access, under-utilization of property, scattered substandard and nonconforming industrial uses, the existence of deteriorated oil production equipment, oil leases impeding other industrial development by restricting surface uses, inadequate public utilities to serve the area, improper drainage, and other conditions detrimental to the public safety and welfare. However, the Project is largely undeveloped, and because of its convenient freeway and rail access, was found to have potential value for quality office and industrial development. In addition, the area contains some sites of potential historical significance which are considered worth preserving.

Project Description

The Project is an irregularly shaped area covering approximately 443 acres, and is generally bounded by the Southern Pacific right-of-way and Pioneer Boulevard on the west, the Southern Pacific right-of-way on the north, Lakeland Road on the south, and Norwalk Boulevard on the east. Direct freeway access is provided by Telegraph Road which bisects the Project east and west. The area is within one-half mile of the city's principal shopping conveniences and adjacent to the 12.9 acre Town Center site where the city's civic buildings and other facilities are located. Approximately 14 residential structures remain in the industrial portion of the Project, most of which are to be removed, with the proposed relocation of 10 to 12 families. A 200-unit apartment development has been constructed within the Project on the south side of Florence Avenue since adoption of, and in accordance with the Redevelopment Plan. Together with the neighboring Pioneer-Telegraph and Oil Field Redevelopment Projects, this Project represents a major effort to improve the existing industrial base of the local economy.

The Project area is along the westerly portion of the Santa Fe Springs oil field. The field is a relatively old one and production has been depleting for many years. Some of the wells that were in the Project area have been abandoned and removed. However, some oil field facilities remain, including both active and idle wells, storage facilities, and also pipelines and foundations of oil field equipment which have been abandoned in place.

There are industrial uses developed along Norwalk Boulevard, Florence Avenue, Clark Street, Koontz Avenue, Smith Avenue and Los Nietos Road, and a three par golf course, park, cemetery and continuation high school located along Florence Avenue. The major portion of the land, however, remains undeveloped or under-developed with scattered oil field uses. As stated above, there is a deficiency of public improvements to serve the Project, as well as the impediment of oil field uses which hinder the most effective utilization of the land.

Of the total 400 acres of developable land within the Project area approximately 165 acres are developed, including approximately 30 acres in railroad use. An additional 33 acres are in less substantial or interim uses which are likely to change.

In order to provide an impetus to private development within the Project, the Agency proposes to issue the Bonds described in this official statement for the purpose of financing public facilities and other improvements needed for effective utilization and development of the property. Facilities and improvements to be financed at present include construction of street improvements, installation of storm drains, sanitary sewers, water mains and other utilities, acquisition of property containing non-conforming uses, and the acquisition and rehabilitation of an existing school auditorium which has historical significance. In addition, a portion of Bond proceeds will be applied to remove certain oil field facilities and other impediments to development, including clearing title

and surface rights of entry to specified properties. Uses of Bond proceeds are presented in Table 3. As private development within the Project progresses, the Agency anticipates that additional public improvements and property acquisitions may be required. Remaining expenditures are currently estimated by the Agency at approximately $700,000, which may be financed through one or more of the following methods: (1) use of excess Tax Revenues from the Project, if any; (2) use of state gas tax funds for street improvements; (3) additional city advances to the Agency; and (4) sale of additional tax allocation bonds. The timing of such expenditures is dependent upon the timing of new development, and is not presently subject to a proposed schedule.

Table 3

NORWALK BOULEVARD REDEVELOPMENT PROJECT

Application of Net Bond Proceeds

Street improvements	$ 340,000
Storm drains	620,000
Public buildings	453,000
Property acquisition	155,000
Sewers, water mains and other utilities	224,000
Removal of impediments to development	300,000
Net Bond Proceeds	$2,092,000

Project Status

Although only a portion of the proposed Project improvements have been installed thus far, $3,364,275 in increased assessed valuations have been recorded from higher assessment of existing property, and from new construction completed or in progress through March 1, 1975 (the lien date for assessment of property for the 1975/76 fiscal year), plus applicable leasehold improvements and higher classes of land use. Since adoption of the Plan, new residential, office and industrial construction completed within the Project is valued at over $3.7 million, having an assessed valuation in excess of $940,000. At present, new construction is in progress within the Project having an estimated market value of $841,000. Assessed valuations of these improvements when complete is estimated at $210,250, which will be reflected as a corresponding increase in the incremental assessed valuation of the Project in subsequent fiscal years. The Agency expects that with completion of the proposed improvements to be financed with proceeds of the 1976 Tax Allocation Bonds now being offered, additional development will be attracted to the Project. Both the Agency and the city actively encourage private development within the various redevelopment projects, and to demonstrate this support are offering bonds secured by the Tax Revenues from two of the projects, as previously discussed, to finance the construction of public improvements essential to further development. The Bonds now being offered on behalf of the Norwalk Boulevard Redevelopment Project represent one such project, and the $1,250,000 principal amount of 1976 Tax Allocation Bonds of the Pioneer-Telegraph Redevelopment Project, being offered concurrently herewith, represent the other.

Environmental Considerations

The Agency believes that the Norwalk Boulevard Redevelopment Project Redevelopment Plan was not subject to the provisions of the California Environmental Quality Act (Public Resources Code of the State of California, Section 21000 et seq.) at the time of its approval by the City Council of the City of Santa Fe Springs. Such approval preceded the application of various provisions of such Act to public projects which require the preparation of an Environmental Impact Report and the filing of a Notice of Determination with the County Clerk. Consequently, no such report or notice have been prepared or filed.

ESTIMATED TAX REVENUE AND BOND RETIREMENT SCHEDULE

Estimated Tax Revenues

All Tax Revenues derived from the levy and collection of taxes on any increase in the assessed valuation of land, improvements, public utility and all other taxable property in the Project over and above the 1972/73 frozen base roll established by the county for such property are to be deposited in the Norwalk Boulevard Redevelopment Project Special Fund and applied by the Fiscal Agent to the payment of interest and principal on the Bonds and Sinking Account payments. If on each December 31 the balance on deposit in the Special Fund exceeds one and twenty-five hundredths (1.25) times Bond interest and principal payments (or minimum Sinking Account deposits) coming due within the then current fiscal year, the Fiscal Agent may transfer such excess to the Agency under the conditions specified in the Resolution and set forth in this official statement under the section entitled "The Bonds."

Each annual levy of taxes is made at the then applicable rate, but for the purpose of estimating future tax receipts and calculating an estimated Bond retirement schedule, the projection of Tax Revenues available for payment of Bond interest and principal is based on the lowest aggregate 1975/76 tax rate applicable to the 1975/76 incremental assessed valuation of the Project. The Project comprises a total of eleven tax code areas with aggregate tax rates ranging from a low of $12.2764 per $100 assessed valuation to a high of $12.7017 per $100/A.V. As mentioned previously, the incremental assessed valuation amounts to $3,364,275. By application of the minimum tax rate ($12.2764) to the $3,364,275 incremental assessed valuation, it is anticipated that the Project will generate at least $413,000 of Tax Revenues in the current 1975/76 fiscal year. However, the Los Angeles County Assessor has stated that because of the continuing depletion of the Santa Fe Springs Oil Field, remaining mineral values of the Project may be reduced to zero. Such values are carried on the county records at $445,850, which represents the amount of the potential decrease in the assessed valuation of the Project if all such mineral values are eliminated. The County Assessor has also stated that any reduction in mineral values will be at least partially offset by an increase in the value of surface rights as the property becomes available for a higher class of use. For purposes of this official statement, it has been assumed that the total mineral values will be eliminated, without a corresponding increase in the value of surface rights. Accordingly, the incremental Project assessed valuation has been reduced to $2,918,425 in order to compute the estimated debt retirement schedule (see Table 4 on page 25), and the Tax Revenues to be produced therefrom at the minimum tax rate of $12.2764 per $100/A.V. are estimated at $358,200 in the 1976/77 fiscal year and each year thereafter. Although private development is now under construction in the Project and will be reflected on the tax rolls in subsequent years, no allowance for increased assessed valuations is employed in the estimated debt retirement schedule.

Tax Revenues currently being received by the Agency from the Project (after deduction of the potential loss of property taxes from the elimination of mineral values) will cover assumed average annual debt service on the Bonds by about 1.26 times.

Los Angeles County currently assesses taxable property within the Project at an average ratio of 25.3 percent of full value (except public utility property which is assessed by the State Board of Equalization at 25 percent of full value). In accordance with state statutory provisions any new construction (including utility property) must be assessed at 25 percent of full value. Property carried on the local secured, unsecured and utility rolls is assessed to the owner of record as of each March 1 preceding the fiscal year commencing the next following July 1. Unsecured property taxes are due on the lien date and are payable by the next following August 31, while local secured and utility property taxes are due, one-half, on November 1 and February 1 of each fiscal year and become delinquent on December 10 and April 10, respectively. Tax Revenues are allocated to redevelopment agencies in the county in the following manner: Local secured and utility tax allocations are made by June 1 of each fiscal year; unsecured tax allocations are made by March 1 of each fiscal year, and the allocation of delinquent taxes is made by Sep-

tember 1 of the fiscal year next following the year of levy. The estimated Bond retirement schedule presented in the following section is based upon the foregoing schedule of tax allocations to the Agency.

Estimated Bond Retirement

Under the provisions of the Resolution, the Bonds will mature serially each December 1 in the years 1977 through and including 1988 in the amounts specified in "The Bonds" section of this official statement, and in the aggregate principal amount of $1,150,000 maturing on December 1, 1996 (subject to minimum Sinking Account payments). As stated above and elsewhere herein, the Resolution permits withdrawal by the Agency of excess Tax Revenues from the Special Fund, subject to stated coverage requirements and other conditions precedent. The provisions of the Resolution require that the Fiscal Agent shall retain and accumulate each year in the Special Fund an amount equal to one and twenty-five hundredths (1.25) times Bond interest and principal (including minimum Sinking Account deposits) coming due within the then current fiscal year before any reimbursements may be made to the Agency. The 25 percent retention (after debt service payments) is to be held by the Fiscal Agent and applied to redemption of Term Bonds maturing December 1, 1996 to the extent available, on the earliest call date (December 1, 1989), under the conditions specified in the Resolution. No such transfers may be made to the Agency unless the required deposits have been made to the Interest, Principal, Reserve and Sinking Accounts.

On the basis of current property tax rates applicable to, and the assessed valuation of, the Project it is estimated that the entire issue of 1976 Tax Allocation Bonds may be retired by 1991 under the Estimated Debt Retirement Schedule presented in Table 4 on page 25, or five years prior to their final maturity date of 1996 (assuming the Agency applies all Tax Revenues and moneys in the Special Fund to the Redemption of Term Bonds in each year after 1988, and does not make any permitted withdrawals from the Special Fund after such date).

Should the Agency issue any additional series of authorized Bonds, there is no assurance that the Term Bonds will, in fact, be retired in 1991. However, the conditions under which such Additional Bonds may be issued are designed and intended to prevent the dilution of the security afforded the holder of any of the then outstanding Bonds, and to assure payment by the established maturity date.

Table 4 does not reflect the initial deposit into the Reserve Account of the Minimum Reserve (two times maximum annual interest requirements on the Bonds), since this amount is to be retained therein and, unless needed to cover any unanticipated deficiency in the Tax Revenues, will not be used until applied to the last payment of interest and principal on the 1976 Bonds (or Additional Bonds).

Estimated Tax Revenues are believed to be sufficient to meet all interest and principal requirements on the Bonds, regardless of the rapidity with which the Project is ultimately developed. It is believed that the Project is fully self-supporting (as to the payment of interest and principal on the 1976 Bonds) from Tax Revenues that will be derived from the current 1975/76 assessed valuation of the Project (as possibly reduced by elimination of mineral values, as previously discussed).

The estimates presented in Table 4 do not take into account interest earnings on the Redevelopment Fund or the Special Fund which in practice will be invested in accordance with the provisions of the Resolution. To the extent that such investment income is available, the retirement of principal through purchase or call may be accelerated over the retirement schedules presented in Table 4. The issuance of Additional Bonds is governed by the conditions contained in the Resolution, and summarized herein, and will be offered for sale only if adequate security can be demonstrated at the anticipated time of sale, and if selected by the Agency as the appropriate method of financing. No valuations are assigned to potential development within areas of the Project which may occur in subsequent years, and which is not accounted for in this official statement. Any development or upgraded land-use of such property will be reflected in the greater magnitude in the increase of Project assessed valuations; resulting in a higher level of Tax Revenues than estimated herein, and which may serve as security for the issuance of Additional Bonds to the extent permitted under the Resolution. Any excess Tax Revenues which may be paid to the Agency, as provided in the Resolution and discussed elsewhere in this official statement, may also be used by the Agency to meet any subsequent costs of the Project, without incurrance of additional indebtedness. At present, the Agency has no plans for the issuance of Additional Bonds, but may apply such excess Tax Revenues to meet future Project costs, if any.

Table 4

REDEVELOPMENT AGENCY OF THE CITY OF SANTA FE SPRINGS

$2,770,000 Norwalk Boulevard Redevelopment Project, 1976 Tax Allocation Bonds

Estimated Debt Retirement and Cash Flow Schedule

Year Ending Dec. 1	Estimated Tax Revenue①	Bonds Outstanding②	Interest Estimated @ 8%	Principal Retired	Premium for Redemption of Callable Bonds		Total Bond Service	Cumulative Balance in Special Fund③
					Percent	Amount		
Serial Bonds:								
1976	$135,400④	$2,770,000	$ 110,800⑤	$ —0—			$ 110,800	$ 24,600
1977	358,200	2,770,000	221,600	60,000			281,600	101,200
1978	358,200	2,710,000	216,800	65,000			281,800	177,600
1979	358,200	2,645,000	211,600	70,000			281,600	254,200
1980	358,200	2,575,000	206,000	75,000			281,000	331,400
1981	358,200	2,500,000	200,000	80,000			280,000	409,600
1982	358,200	2,420,000	193,600	90,000			283,600	484,200
1983	358,200	2,330,000	186,400	95,000			281,400	561,000
1984	358,200	2,235,000	178,800	105,000			283,800	635,400
1985	358,200	2,130,000	170,400	115,000			285,400	708,200
1986	358,200	2,015,000	161,200	120,000			281,200	785,200
1987	358,200	1,895,000	151,600	130,000			281,600	861,800
1988	358,200	1,765,000	141,200	145,000			286,200	933,800
Subtotal ..				$1,150,000				
Term Bonds:								
1989	358,200	1,620,000	129,600	1,120,000	3½%	39,200	1,288,800	3,200
1990	358,200	500,000	40,000	310,000	3	9,300	359,300	2,100
1991	358,200	190,000	15,200	190,000	2½	4,750	209,950	150,350⑥
Subtotal ..				$1,620,000				
Totals .			$2,534,800	$2,770,000		$53,250	$5,358,050	

① Based on Tax Revenues currently being generated by the Project, with no allowance for any increases which may result from new developments. Reflects possible reduction of assessed valuation and Tax Revenues which may be caused by a write-down of mineral values.

② Prior to retirement of principal in each indicated year.

③ On the average, provides for required retention of 25% of annual debt service in the Special Fund each year. Assumes full application of Tax Revenues and such retention to redemption of Term Bonds after 1988. Does not reflect permitted application of Reserve Account balance to final payments of principal and/or interest.

④ Balance of 1975/76 Tax Revenues to be deposited in the Special Fund by the Agency.

⑤ Six months interest.

⑥ Available for distribution to other taxing agencies, or to repay city advances to the Project or Additional Bonds, if any. Pledge of Tax Revenues is irrevocable until Bonds of all series are retired or payment in full is provided for.

CITY FINANCIAL DATA

The Bonds are not a debt of the City of Santa Fe Springs and the following city financial data are included only for the purposes of providing general information.

Assessed Valuations

The City of Santa Fe Springs uses the facilities of Los Angeles County for the assessment and collection of taxes for city purposes. City taxes are collected at the same time and on the same tax rolls as are county, school district, and special district taxes. Assessed valuations of properties are the same for both city and county taxing purposes. The California State Board of Equalization reports the 1975/76 Los Angeles County valuations to average 25.3 percent of full value except for public utility property, which is reported to be assessed at 25 percent of full cash value by the state.

The California State Legislature adopted two types of state-reimbursed exemptions beginning in the tax year 1969/70. The first currently exempts 50 percent of the assessed valuation of business inventories from taxation. The second exemption currently provides a credit of $1,750 of the assessed valuation of an owner-occupied dwelling for which application has been made to the county assessor.

Revenue estimated to be lost to local taxing agencies due to the above exemptions is reimbursed from state sources. Reimbursement is based upon total taxes due upon such exempt values and therefore is not reduced by any amount for estimated or actual delinquencies. The following summary presents the city's 1975/76 assessed valuation before and after giving effect to such state-reimbursed exemptions.

Since 1971/72, the city's assessed valuation has increased 48 percent, as shown in the summary below.

Fiscal Year	Assessed Valuation*
1971/72	$157,563,091
1972/73	178,706,017
1973/74	185,923,960
1974/75	210,850,925
1975/76	233,145,304

*Includes reimbursable exemptions.

Source: Los Angeles County Auditor-Controller.

Tax Rates

The basic City of Sante Fe Springs tax rate for the 1975/76 fiscal year has been set at $0.49 per $100 assessed valuation. The growth of assessed valuation and the ability of the city to finance much of its development and service costs from other revenues have permitted this levy to remain at a constant $0.49 per $100/A.V. since 1961. Under statutory provisions applicable to General Law cities

CITY OF SANTA FE SPRINGS
1975/76 Assessed Valuation

Roll	Net Assessed Valuation	State-reimbursed Exemptions	Assessed Valuation for Revenue Purposes
Secured	$127,330,920	$14,770,555	$142,101,475
Unsecured	53,998,294	25,942,545	79,940,839
Utility	11,102,990	—	11,102,990
	$192,432,204	$40,713,100	$233,145,304

Source: Los Angeles County Auditor-Controller.

in California, Santa Fe Springs may levy property taxes for general purposes in the amount of $1.00 per $100 assessed valuation, subject to an inflation escalation formula prescribed in the applicable statutes. Thus, the city has an unused general purpose taxing power of at least 51 cents per $100/A.V.

A total of 82 tax code areas have been established within the City of Sante Fe Springs for the 1975/76 fiscal year. The two largest, Code Areas 5922 and 6687, have an assessed valuation of $52,365,416 and $30,881,573, respectively, or about 36 percent of the city's total assessed valuation. The tax rates applying within these areas are shown in the adjacent summary. Tax rates applicable to the Redevelopment Project described in this official statement are discussed elsewhere herein.

CITY OF SANTA FE SPRINGS
1975/76 Tax Rates
Tax Code Areas 5922 and 6687

	Code Area 5922	Code Area 6687
City of Santa Fe Springs ...	$ .4900	$ .4900
Los Angeles County—General	4.5185	4.5185
County Education Levy	.0580	.0580
School Districts	5.8058	5.3129
Community College Districts	.5773	.6929
Sewer Maintenance District .	.0663	—
Mosquito Abatement District	.0053	.0053
Metropolitan Water District .	.2000	.2000
Little Lake Cemetery District	—	.0134
Tax Rate on Total Valuation	$11.7212	$11.2910
County Flood Control District*	.3830	.3830
Sanitation District No. 18* ..	.2355	.2355
Water Replenishment District*	.0030	.0030
Total Rates	$12.3427	$11.9125

*Applies to valuation of land and improvements only.

Source: Los Angeles County Auditor-Controller.

Tax Levies and Delinquencies

Taxes on the secured roll are payable in two installments on November 1 and February 1 of each fiscal year, and become delinquent on December 10 and April 10, respectively. Taxes on unsecured property are assessed and payable on March 1 and become delinquent the following August 31 in the next fiscal year.

The following tabulation shows the amount of secured taxes levied by the City of Santa Fe Springs since 1970/71 together with the amount and percent of current taxes delinquent on June 30 of each year. Over the five-year period, the city's average annual rate of secured tax delinquency was 0.70 percent.

Major Taxpayers

The list on the following page presents the 13 largest ad valorem taxpayers in the city and the minimum assessed valuation of all property assessed against each.

CITY OF SANTA FE SPRINGS
Tax Levies and Delinquencies

Fiscal Year	City Secured Tax Levy	Collected June 30	Delinquent June 30	Percent Delinquent June 30
1970/71	$509,278	$505,047	$4,231	0.83%
1971/72	536,164	532,958	3,206	0.60
1972/73	592,656	588,094	4,562	0.77
1973/74	590,459	587,015	3,444	0.58
1974/75	653,622	648,995	4,627	0.71

Source: Los Angeles County Auditor-Controller.

CITY OF SANTA FE SPRINGS

Largest Taxpayers

Company	1975/76 Net Assessed Valuation
Gulf Oil Co.—California*	$11,429,695
Southern California Edison Co.	5,419,840
Powerine Oil Co.*	4,722,775
General Telephone Co.	3,461,520
Safeway Stores, Inc.*	2,754,750
CPC International, Best Foods*	2,331,980
Sunshine Biscuits, Inc.*	1,916,295
Certified Grocers of California*	1,732,615
General Motors, Parts Division*	1,517,750
Sears, Roebuck & Co.*	1,433,325
Vornado, Inc.*	1,391,750
Southern Pacific Railroad	1,238,520
Smith International, Inc.*	1,103,595

*Derived from a visual inspection of the Los Angeles County Secured Tax Roll. The above are minimum values.

Sources: State Board of Equalization (utility values) and Los Angeles County Assessor (other values).

Retirement System

Employees of the city, which include the employees assigned to the Redevelopment Agency, participate in a defined-benefit pension plan which is administered in accordance with a contract between the city and the State of California Public Employees' Retirement System ("PERS"). PERS is a statewide system operated pursuant to Title 2, Division 5, Part 3 of the Government Code. State law requires that PERS undergo actuarial review not less often than every fourth year. Actuarial System, Inc., independent actuaries and consultants, has completed a review of PERS' actuarial experience for the four-year period ending June 30, 1973 and has made actuarial valuations of the system as of June 30, 1973 and June 30, 1974. In its report dated May 15, 1975, the actuary identified an "unfunded supplemental liability" of $925,615,287, as of June 30, 1973, for the local miscellaneous employees group, which would include employees of the city. As of June 30, 1974, the "unfunded supplemental liability" for all other member groups (State Miscellaneous, State Safety, Highway Patrol, Local Safety and County Schools), was $3,977,018,111. The Actuary's report includes a discussion of new actuarial assumptions to provide for amortization of unfunded liabilities in the various member groups within PERS. Additional information is available from State of California Public Employees' Retirement System, 1416 Ninth Street, Sacramento, California 95184.

State law provides that, when rendered necessary by changes in benefits or by periodic actuarial review, PERS may modify the amounts of annual pension contributions by agencies contracting with it.

According to the City of Santa Fe Springs audited financial report for fiscal 1973/74 and 1974/75, the total pension expense for those years was $229,191 and $273,034, respectively, which includes amortization of past service costs by June 30, 1980. Pension costs are funded by monthly contributions to PERS. The excess, if any, of the actuarially computed value of vested benefits over the amounts available in the pension fund was not determined as of June 30, 1975.

Deferred Compensation Plan

The City of Santa Fe Springs has made available for its employees a voluntary deferred compensation plan. Funds withheld per employee authorizations are invested in variable or fixed annuities with Lincoln National Life Insurance Co. and Beneficial Standard Insurance Co. Long term investments amounting to $57,871 represents the cost of such annuities purchased as of June 30, 1975. Actual cash value of the annuities at June 30, 1975 was $56,290.

Revenues, Expenditures and Fund Balances

Table 5 presents a five-year summary of the city's revenues and expenditures for general and special revenue funds as extracted from the city's annual audit reports. As of the 1974/75 fiscal year, Santa Fe Springs changed its accounting and reporting procedures from the accrual basis to modified accrual basis for budgetary funds (the general fund, special revenue funds, and the debt service fund), as set forth in a pronouncement of the American Institute of Certified Public Accountants. All other funds, including the Redevelopment Revolving Fund, are maintained on the accrual basis. The city's fund balances as of June 30, 1975 and December 31, 1975 were as shown on page 30.

Table 5

CITY OF SANTA FE SPRINGS

Revenues and Expenditures

General and Special Revenue Funds①

	1970/71	1971/72	1972/73	1973/74	1974/75
REVENUES:					
Property Taxes	$ 729,761	$ 773,450	$ 977,092	$ 901,289	$ 991,930
Sales and Use Taxes	1,885,517	2,179,735	2,579,574	2,828,301	3,140,858
Other Taxes	238,789	291,214	316,590	354,139	423,871
Licenses and Permits	99,847	107,284	154,446	144,948	117,072
Fines and Penalties	149,080	143,176	128,240	131,497	115,507
Use of Money and Property	59,562	34,244	66,028	151,769	141,258
From Other Agencies	527,362	523,283	1,191,330	1,359,344	1,143,481
Service Charges	101,394	114,246	62,214	62,478	119,607
Other	312,095	154,546	218,031	385,406	396,077
Total	$4,103,407	$4,321,178	$5,693,525	$6,319,177	$6,589,661
EXPENDITURES:					
General Government	$ 966,619	$ 785,816	$ 935,949	$1,080,538	$1,308,851
Public Safety	1,664,886	1,914,817	2,115,837	2,392,473	2,810,258
Public Works	1,049,579	1,026,217	987,721	1,735,093	1,548,012
Parks and Recreation	311,070	436,406	380,585	460,859	559,733
Libraries	142,225	153,586	173,308	201,147	212,580
Debt Service②	92,400	105,565	224,850	260,340	260,340
Contribution to Water Utility	26,156	29,145	—	—	—
Total③	$4,252,935	$4,451,552	$4,818,250	$6,130,450	$6,699,774

① Special Revenue Funds: Traffic Safety Fund, State Gasoline Tax Fund, County Aid to Cities Fund, and the Fiscal Assistance Act Trust Fund. Excludes water utility which is treated as a separate enterprise under provisions of the Water Revenue Bond Resolution.

② Lease payments for the city hall, Santa Fe Springs Park, city yard, Town Center Hall, and headquarters fire station. The city has no direct tax supported debt outstanding.

③ Total expenditures include capital outlays each year which are not reported separately in the annual audits. Capital outlays made from current or accumulated funds for the respective years are reported in the city's annual report to the State Controller, as follows: 1970/71—$736,085; 1971/72—$631,843; 1972/73—$275,946; 1973/74—$862,692; and 1974/75—$741,642.

Sources: City of Santa Fe Springs Annual Financial Reports (which contain the annual audit reports prepared by independent Certified Public Accountants retained by the city), and, in the case of footnote No. 3, the city's annual reports to the State Controller.

CITY OF SANTA FE SPRINGS

Fund Balances as of June 30, 1975 and December 31, 1975

Name of Fund	Fund Balances June 30, 1975	Fund Balances December 31, 1975
General Fund	$ 262,824①	$ 404,335
State Gasoline Tax Fund②	94,378	(9,023)
Fiscal Assistance Act Trust Fund②	701,521	244,200
Redevelopment Revolving Fund	1,548,790	1,771,382
Assessment District No. 32 Construction Fund	616,639	47,496

① $11,719 appropriated as of this date. In former years, such items appeared as Encumbrances.

② Special Revenue Funds.

Sources: For June 30, 1975, Annual Financial Report of the city (which contains the annual audit report prepared by independent Certified Public Accountants retained by the city); and for December 31, 1975, from unaudited, interim financial records of the city.

Direct and Overlapping Bonded Debt

As of the date of this official statement, the City of Santa Fe Springs has no outstanding general obligation bonded debt. The city does, however, have a total of $3,925,000 of water revenue bonds currently outstanding which are secured by, and fully self-supporting from revenues of the water utility. Final maturity of these bonds is May 1, 1999. In addition, the city is obligated for certain annual lease payments as follows: (1) $11,597 per year through fiscal 1979/80 for rental of a computer and related facilities; (2) $92,400 per year through fiscal 1996/97 for rental of the City Hall/Santa Fe Springs Park; and (3) $167,940 per year through fiscal 2001/02 for rental of the City Yard/Town Center Hall/Headquarters Fire Station. Upon payment and expiration of the respective leases, ownership of all leased facilities will revert to the City of Santa Fe Springs. A statement of estimated overlapping bonded debt of the city is presented in Table 6.

Santa Fe Springs City Hall, one of five public buildings located in the 12.9 acre Town Center complex adjoining the Norwalk Boulevard Redevelopment Project. Other buildings in the complex are a City Library, community center building, City fire station, and U.S. Post Office.

Photo courtesy City of Santa Fe Springs

Table 6

CITY OF SANTA FE SPRINGS

Estimated Overlapping Debt

Population	16,000①
1975/76 Assessed Valuation	$233,145,304
Estimated Market Value	$922,000,000②

Entity	Percent Applicable③	Debt Applicable April 8, 1976④
Los Angeles County	.925%	$ 219,447
Los Angeles County Building Authorities	.925	1,769,063
Los Angeles County Flood Control District	.662	3,218,088
Metropolitan Water District	.589	3,205,762
County Sanitation District No. 18	18.216	268,686
Rio Hondo Community College District	18.500	1,111,850
ABC Unified School District	8.454	1,596,852
Norwalk-La Mirada Unified School District	26.796	1,707,229
Whittier Union High School District	23.542	722,975
Little Lake City School District	52.419	233,265
Los Nietos School District	70.127	291,027
South Whittier School District	44.194	422,053
Whittier City School District	.707	5,868
TOTAL OVERLAPPING BONDED DEBT		$14,772,165

	Ratio to		
	1975/76 Assessed Valuation	Estimated Market Value	Per Capita
1975/76 Assessed Valuation	—%	—%	$14,572
Direct Debt	—0—	—0—	—0—
Total Debt	6.34	1.60	923

① Source: State Department of Finance.

② Based on assessment ratios discussed on page 26 of this official statement.

③ Source: California Municipal Statistics, Inc., San Francisco, California.

④ Excludes revenue bonds and city's share of county lease obligations ($2,202,554). Also excludes city lease-revenue obligations ($2,935,000), and Redevelopment Agency Tax Allocation Bonds now being offered for sale. Excludes sales and repayments, if any, between April 8, 1976 and June 7, 1976.

City's Share of Authorized and Unsold Bonds:	
Metropolitan Water District	$ 2,149,850
Los Angeles County Flood Control District	59,249
ABC Unified School District	97,644
South Whittier School District	152,486
City's Share of State School Building Aid Repayable as of June 30, 1975:	$18,762,390

Examples of recent industrial development within the Norwalk Boulevard Redevelopment Project are depicted in the photographs at top left, top right, and bottom left. The photograph at bottom right shows a portion of a new 200-unit apartment development in this project.

Photos courtesy City of Santa Fe Springs

THE CITY

The City of Santa Fe Springs is located 13 miles southeast of downtown Los Angeles, 18 miles north of Long Beach, and 410 miles south of San Francisco. Neighboring communities, clockwise from the east, are the Cities of Whittier, La Mirada, Cerritos, Norwalk, Downey, and Pico Rivera. The general area is highly developed and forms an integral part of the Los Angeles-Long Beach Metropolitan Area.

Urban development of Santa Fe Springs began in the early 1950's. During the ensuing years community pressures resulted in incorporation of the city on May 15, 1957. The new city covered 4.9 square miles and contained a population of 11,787. Santa Fe Springs now embraces 8.7 square miles and has over 16,000 people. About 82 percent of the city's total area is zoned for industrial use.

Santa Fe Springs operates as a general law city under the council-manager form of government. There are five city council members who are elected for alternating four-year terms. The mayor is selected annually from among their number by members of the council. Mr. Robert L. Williams, the City Manager, has been in charge of municipal affairs since 1962, and has gained more than 25 years experience in public administration. Advisory bodies to the City Council include the Planning Commission, Traffic Commission, Building Rehabilitations Appeals Board, Neighborhood Center Advisory Committee, General Plan and Community Development Committee, Street Naming Committee, Beautification Committee, Community Program Committee, Sister City Committee and Historical Committee.

In 1962 the Planning Commission approved a General Plan for the city. This Plan was superseded by a new General Plan adopted by the City Council in 1973 and expanded by the adoption of additional elements in 1974. At the present time the planning staff, consisting of five full-time professional planners, is working with a consultant on the preparation of additional subject matter for possible inclusion in the General Plan.

Consistency and continuity of policy in Santa Fe Springs is demonstrated by the fact that three members of the City Council have served the city in that capacity since the incorporation of the city in 1957, two of whom were recently re-elected to four year terms. The term of the third member who has served since incorporation of the city has two years to run, and he, therefore, was not involved in the recent election. The fourth member has served for 12 years, and the fifth member, the former Chairman of the Planning Commission, was elected at the March 2, 1976 General Election.

The City of Santa Fe Springs is an equal opportunity employer and its own staff in the City Manager's office has developed and implemented an Affirmative Action Program which resulted in the city's receiving one of six Innovative Awards given in 1974 by the International City Management Association.

The city has 173 full-time employees, 104 part-time employees and an annual budget which has ranged from $6.7 million to $10.4 million over the last three years. Fire protection is provided by a 69-member Fire Department operating from four modern fire stations. The city has a Class 3 fire insurance classification. A Paramedic Unit for emergencies is maintained by the Fire Department jointly with the City of Downey. The city contracts with the Los Angeles County Sheriff's Department for police protection services. Deputies serving the city operate from the nearby Norwalk and Pico Rivera stations. Public safety services provided under contract include helicopter patrols and around-the-clock general law enforcement. An area headquarters for the California Highway Patrol is also located within Santa Fe Springs.

The 17,400 square-foot Santa Fe Springs City Hall was dedicated in 1967. Designed in contemporary California architectural style by William T. Pereira & Associates, the building forms part of the 12.9-acre Santa Fe Springs Town Center, also occupied by fire station No. 4, the city library, a United States Postal Service facility, and Town Center Hall, a community building available for public and business use. Within the past year additions have been constructed to the city library and to the Neighborhood Center, for social services to the northwestern portion of the city's residential area.

Population

The population of Santa Fe Springs estimated at 500 persons in 1950, grew rapidly in the next decade, reaching 16,342 in the 1960 Federal Census. Primarily because of the removal of 334 homes for construction of the San Gabriel River Freeway (Interstate 605) through the western part of the city in the 1960's, the city's population dropped to 14,750 by the time of the 1970 Census. New residential construction since then, including new units in the Flood Ranch Redevelopment Project, has caused the population of the city to return to a level approaching that of the 1960 Census tabulation. Following is a summary of recent Federal Census reports and population estimates.

CITY OF SANTA FE SPRINGS
Population Data

Year	Population
1950	500①
1960	16,342②
1970	14,750②
1975	16,000③

Sources:
① City Planning Department estimate.
② Federal Census.
③ State Department of Finance estimate for January 1, 1975.

Because of the limited area available for residential use (9.42% of total zoned acreage), city planning officials anticipate no significant population changes in the future.

Housing

The 1970 Census of Housing reported 3,764 housing units in the city. More than 87 percent were single-family dwellings and over 77 percent were owner-occupied, with a median value of $19,400.

By January 1975, available housing in the city had expanded to 4,424 units, and the proportion of single-family homes had declined to less than 82 percent, according to studies of the Los Angeles County Regional Planning Commission.

Employment

The significant contribution to the area-wide economy by industrial and commercial activity in Santa Fe Springs is based on a highly skilled and diversified labor force drawn from the city and from the communities of Norwalk, Whittier, Pico Rivera and Downey, as well as the balance of the Los Angeles metropolitan area. The local labor market was last surveyed by state labor analysts in January 1971. The five communities then had a combined population of 596,900 and employment aggregating 197,500, with 30 percent of all workers in manufacturing, about 19 percent in retail trade, and 17 percent in services occupations.

LOS ANGELES–LONG BEACH LABOR MARKET
Estimated Employment by Industry
Nonagricultural Wage and Salary Workers (in thousands)

Industry	Annual Averages			
	1970	1972	1974	1975
Mining	11.2	10.6	10.9	11.0
Contract construction	106.4	100.6	105.1	96.1
Manufacturing: Durable goods	557.2	528.4	560.9	519.4
Non-durable goods	249.1	251.5	268.3	255.2
Transportation, communications and utilities	174.5	171.3	178.8	174.9
Trade: Wholesale	194.1	197.1	219.2	218.7
Retail	443.4	460.1	481.9	478.2
Finance, insurance and real estate	168.1	177.7	185.6	184.5
Services and miscellaneous	539.1	566.1	627.5	633.7
Government—federal, state and local	420.8	436.2	453.2	475.2
Total	2,863.9	2,899.6	3,091.4	3,046.9

Source: State Department of Employment Development.

Current employment estimates are available only for the Los Angeles-Long Beach Labor Market Area (Los Angeles County). Santa Fe Springs is within convenient commuting distance of all major employment centers in this highly developed and diverse labor market. Presented on the previous page are patterns of employment by industry since 1970 in the Los Angeles-Long Beach Labor Market. Manufacturing provides more than one-fourth of all jobs, with durable goods payrolls substantially exceeding non-durables. Next in number of workers are trade, services, and government occupations.

At January 1976 total civilian employment in this labor market was 2,908,500. The seasonally adjusted unemployment rate was 9.9 percent.

CITY OF SANTA FE SPRINGS
Principal Employers
200 or More Employees

Company	Product/Service	Number of Employees
Bell Brand Foods, Div. of Sunshine Biscuits, Inc.	Food products	300
Calweld, Division of Smith International, Inc.	Tunneling & drilling equipment	200
California Industrial Products, Inc.	Automotive fasteners	375
Central Industrial Engineering Co., Inc.	Steel fabricating & erection	275
City Transfer	Trucking & public warehouse	200
Consolidated Freightways, Inc.	General commodities trucking	437
J. M. Covington Corp.	Engineering & construction	300
Fluid Packed Pump-Armco Steel Corp.	Subsurfaced oil well pumps	300
General Motors, Parts Division	Auto parts & accessories	450
Gulf Oil of California	Petroleum refinery	280
Hood Corporation	Pipeline construction	400
I M L Freight, Inc.	General commodities trucking	265
Marshburn Farms	Produce growers & packers	600
McDowell-Craig Manufacturing Co.	Steel & custom office furniture	225
Nu Car Prep System, Inc.	Chrysler Motors prep center	350
Pacific Clay Products, Inc.	Clay products	388
Pacific Pipeline Construction Co.	Pipelines & underground conduits	300
Powerine Oil Co.	Oil refinery	600
Safeway Plumbing & Heating	Plumbing & heating subcontractors	400
Safeway Stores, Inc.	Food products distribution center	800
Sears, Roebuck & Co.	Department store	500
Southwest Forest Industries	Corrugated shipping containers	272
Standard Precision, Inc.	Precision ball bearing drawer slides	200
Steelform Contracting Co.	Concrete form work	250
Stoody Company	Welding & supplies	484
Transcon Lines	Trucking	450
Union Oil Company of California	Oil & gas producers	225
U. S. Suzuki Motor Corp.	Motorcycles & snowmobiles	350
Vornado, Inc.	Warehouse and distribution center	645
Western-Allied Corp.	Mechanical contractors	200

Source: Santa Fe Springs Chamber of Commerce and Industrial League, Inc.

Industrial Activity

As early as 1907 and 1908 shallow wells were drilled in the area to explore for oil. In 1921, Union Oil Company made the first highly successful strike and by 1923 the Santa Fe Springs field was producing more than 10,000,000 barrels per month, accounting for about one-sixth of the U.S. oil production at that time. While oil extraction has since diminished considerably, high quality crude oil is still being produced.

There are approximately 4,000 acres in the city zoned for industry. About 32 percent of this land is vacant and available in parcels ranging in size from 7,500 square feet to 40 acres. Included in this land area are several industrial parks or districts. In 1975, typical sales prices for industrial land ranged from $50,000 to $85,000 per acre. The city is receptive to new industry, and cooperates with the Santa Fe Springs Chamber of Commerce and Industrial League in promoting a vigorous local industrial establishment.

Industry in Santa Fe Springs is well established and highly diversified. The list of leading employers on page 35 reflects the wide variety of industrial and consumer products manufactured in the city. Santa Fe Springs is also a leading distribution center in the Los Angeles area.

About 2½ years ago ground was broken for the Town Center Industrial Park and the Town Center Business Complex, adjoining developments located about two blocks northeast of the Town Center. This area is devoted to limited manufacturing, distribution, research and office uses.

Commercial Activity

Growth of taxable sales in Santa Fe Springs has outpaced the increase shown by Los Angeles County as a whole. The most recent full year of activity for which statistics are available is 1975, when total taxable sales volume topped $302 million. This total was approximately 74 percent greater than taxable sales in 1970. Between 1970 and 1975, the number of sales outlets under permit increased from 1,197 to 1,443. Over 82 percent were non-retail establishments, reflecting the strong manufacturing and distribution base of the city.

CITY OF SANTA FE SPRINGS
1975 Taxable Transactions By Type of Outlet
(Dollars in Thousands)

Category	Permits	Taxable Transactions
Retail		
Apparel stores	12	$ 1,045
General merchandise stores	18	33,744
Drug stores①	6	3,366
Food stores①	18	6,614
Packaged liquor stores	11	3,042
Eating and drinking places	60	9,153
Home furnishing and appliance stores	13	1,758
Building materials and farm implement stores	26	20,677
Auto dealers and supplies	21	8,666
Service stations	38	8,696
Other retail	27	7,789
Total Retail	250	$104,550
All Other②	1,193	197,539
Total	1,443	$302,089

① Sales of food for home consumption and certain other items are not taxable.
② Principally manufacturers.
Source: State Board of Equalization.

Retail sales activity in the city is concentrated at three locations. Santa Fe Springs Shopping Center, located at Telegraph Road and Orr and Day Road, west of the Town Center, has Roberts Department Store, the Market Basket, Griffith's Drug Store, a Bank of America branch, a furniture store, and a number of specialty shops. At the eastern end of Telegraph Road, Sears and K-Mart anchor another active commercial area. The Sears department store, which employs 500 people, is located on an 18-acre site with 180,000 square feet of sales area and parking for over 1,100 cars. A third retail sales area is Whittier Downs, in the northern part of the city. At this location are Penney's, Thrifty Drug Stores, McCoy's Market, and other stores.

A summary of taxable sales in Santa Fe Springs by individual years since 1970 appears below. Also presented on the preceding page is a tabulation of 1975 taxable sales volume by type of outlet.

CITY OF SANTA FE SPRINGS

Year	No. of Permits	Taxable Transactions
1970	1,197	$172,729,000
1971	1,243	182,510,000
1972*	1,298	217,547,000
1973	1,326	245,917,000
1974	1,346	278,160,000
1975	1,443	302,089,000

*Sales of gasoline for highway use became taxable July 1, 1972.

Source: State Board of Equalization.

Construction Activity

The City of Santa Fe Springs receives a respectable share of the new industrial and commercial investment flowing to the Los Angeles Metropolitan Area. Since 1970, the total valuation of building permits in the city has exceeded $71 million. Approximately 58 percent of this dollar volume consisted of new industrial construction, and an additional 30 percent was made up of new commercial and other non-residential construction.

Residential permit valuation reached a record 395 units in 1972, with 60 new single family homes and 335 multi-family units. However, because of the lack of developable residential land in the city limits, residential permit activity has been minimal during the past three years.

The following tabulation presents building permit activity by individual years since 1971 in the city.

Transportation

Two interstate highways intersect at Santa Fe Springs, providing ready access to all segments of the extensive Southern California freeway network. Interstate 5 (the Santa Ana Freeway) connects Los Angeles County with Orange County and San Diego County to the south, and extends north through California's Central Valley to the Pacific Northwest. Interstate 605 (the San Gabriel River Freeway) links the San Diego, Santa Ana, Pomona, San Bernardino, Pasadena, and Foothill Freeways along its north-south route. Supporting the freeway routes and facilitating the flow of traffic through the community are Telegraph Road and Norwalk Boulevard, which intersect near the center of the city, as well as other major arterials.

CITY OF SANTA FE SPRINGS
Building Permit Valuation
(Dollars in Thousands)

Category	1971	1972	1973	1974	1975
Residential	$ 1,324	$4,382	$ 165	$ 203	$ 273
New Commercial	1,246	891	217	873	484
New Industrial	7,437	2,080	13,881	9,258	3,586
Other Nonresidential	2,129	1,623	2,291	2,213	2,101
Total Value	$12,136	$8,976	$16,554	$12,547	$6,444
No. of Permits	191	175	172	130	92

Source: "California Construction Trends," Security Pacific Bank.

Two railroads, the Southern Pacific Company and the Atchison, Topeka and Santa Fe Railway, provide service directly into Santa Fe Springs. Numerous spur lines furnish access throughout the industrial areas.

Truck freight service is available from 43 nationwide and local motor freight carriers. Seven of these firms have more than 100 employees in Santa Fe Springs.

The City of Santa Fe Springs Free Tram Service provides intracity bus service primarily for the residential and commercial areas of the city. This service, which is provided on a contractual basis with the City of Montebello through a joint powers agreement, operates over a 16-mile fixed route, 360 days per year, nine hours a day. Interurban bus service is provided by the Southern California Rapid Transit District which has just recently implemented a Mid-Cities Transit Improvement Program to improve the level of public transportation in Santa Fe Springs and the neighboring cities. The city also provides bus service to and from Rio Hondo College.

Scheduled air passenger and cargo service is available at Los Angeles International Airport, 25 miles west, Long Beach Municipal Airport, 15 miles south, and Orange County Airport, 25 miles southeast.

Deepwater shipping to coastal and worldwide markets is available at Los Angeles Harbor and Port of Long Beach. These adjoining marine terminals, south of the city, are easily reached via interconnecting freeways.

Education

Public educational services in the City of Santa Fe Springs are provided by four elementary school districts, one high school district, and two unified (K-12) school districts. In addition, three private schools in the city offer instruction in the elementary, intermediate grades and high school grades.

Within the city limits are three public elementary schools, two intermediate schools, two high schools (one a continuation high school), and an Adult Division Center operated by the Whittier Union High School District.

Shown below is a five-year record of enrollment for public elementary and intermediate schools located in the city. The Whittier Union High School District reports that total enrollment in the city's two high schools has ranged from 4,683 in 1971/72 to 4,489 in 1975/76. An estimated 1,480 students are residents of Santa Fe Springs.

Among the private schools, St. Pius X (grades 1-8) reported enrollment of 666 in 1971/72 and 421 in 1975/76. The Santa Fe Springs Christian School (grades K-6) had enrollment of 165 in 1975/76. St. Paul (grades 8-12) reported enrollment of 1,290 in the 1975/76 academic year.

Public education beyond high school is available at Cerritos Community College (current enrollment 18,261), located at neighboring Norwalk, and at Rio Hondo College (enrollment 12,283) in Whittier. Both are two-year institutions supported by local taxes.

Five campuses of the State University and College System are located in Los Angeles County, including the headquarters location in nearby Long Beach. Other campuses are at Los Angeles, Northridge, Pomona, and Dominguez Hills. Equally close are California State Universities at Long Beach and at Fullerton.

CITY OF SANTA FE SPRINGS

Public School Enrollment, Grades K–8

School Year	Little Lake School District (Grades K-8)	Los Nietos School District (Grades K-4)	South Whittier School District (Grades 7-8)	Total
1971/72	1,705	431	432	2,568
1972/73	1,610	413	449	2,472
1973/74	1,713	390	470	2,573
1974/75	1,733	351	461	2,545
1975/76	1,648	387	441	2,476

Source: City Planning Department.

In addition to the five state colleges and universities, Los Angeles County is the location of such other well-known degree institutions as the University of California at Los Angeles (enrollment 33,228), the University of Southern California, Occidental College, the six Claremont Colleges, and the California Institute of Technology at Pasadena. Within commuting distance is the Orange County campus of the University of California at Irvine.

Utilities

Utility services in the city are furnished by the following suppliers:

Water: City of Santa Fe Springs (serving about 90% of the city); San Gabriel Valley Water Company; and other private water companies.

Sewer: City of Santa Fe Springs and Los Angeles County Sanitation District No. 18.

Natural gas: Southern California Gas Co.

Electric power: Southern California Edison Co.

Telephone: General Telephone Co. of California.

Financial Institutions

Financial services in Santa Fe Springs are provided by three branches of the Bank of America National Trust and Savings Association, a branch of the National Bank of Whittier, Allstate Savings and Loan Association, and California Federal Savings and Loan Association.

Community Facilities

A modern 15,270 square-foot municipal library facility built in the master-planned Town Center has been recognized with an Award of Merit presented by the American Institute of Architects.

In addition to the *Los Angeles Times* and other metropolitan dailies, the City of Santa Fe Springs receives newspaper coverage by the *Santa Fe Springs News,* a weekly paper. The daily *Whittier News* is circulated widely throughout the city.

The city is served by nine hospitals located in the surrounding area. Many medical centers, offering a variety of specialist services, are available in the area. Practicing in the city are 8 physicians/surgeons, 3 dentists, and 2 optometrists. Also in the city are three group practices specializing in industrial medicine.

Recreational facilities in the city include three public parks, ten lighted tennis courts, playgrounds and open turf areas, wading pools, handball courts and picnicking facilities. The picnic facilities are in great demand by local employee groups as well as resident families. The picnic area at Santa Fe Springs Park can seat 320 people and offers suitable cooking and serving facilities for groups of this size. A 15-acre par-three golf course and driving range is located in the city. Within five miles of the city are four country clubs with golf courses.

Adjacent to the City Hall is the 19,000 square-foot Town Center Hall, a multi-purpose community building which includes a youth center, music room, exercise room, arts and crafts facilities, various sized meeting rooms and a large social hall. The meeting rooms and social hall are utilized for community business and social affairs as well as for city activities.

The Neighborhood Center for Social Services provides physical health, mental health, employment, training, education, legal aid, youth and senior citizens services, and other social services. The excellence of the concept and function of this facility was the basis for which the City of Santa Fe Springs received its second All-America City Award in 1971.

Among the many tourist and visitor attractions conveniently reached from Santa Fe Springs are the Queen Mary at Long Beach, Magic Mountain in Valencia, Marineland on the Palos Verde Peninsula, the Mount Wilson Observatory, the Los Angeles Music Center, Hollywood Bowl, and the Los Angeles Dodgers and California Angels baseball stadiums. In neighboring Orange County are Disneyland, a 20 minute drive, Knott's Berry Farm, Lion Country Safari, and the Movieland Wax Museum, among other attractions.